BHHC-2-02-23

Belen Savings + Loan Financial Doc. S

meeting
11-15-78

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	October 31, 1977
Total Assets	$14,985,067	$19,864,912	$23,958,810
Loans Outstanding	12,228,082	17,321,459	19,850,029
Savings Accounts	13,599,402	18,177,210	22,046,568
Mortgage Payable	22,000	19,600	17,600
Cash and Securities	1,249,549	2,012,567	3,405,446
Stockholders' Equity	1,022,063	1,157,672	1,344,737
Stock Outstanding	3,000 Sh.	3,000 Sh.	3,000 Sh.
Stockholders' Equity Per Share	$ 340.69	$ 385.89	$ 448.25

Net Loan Portfolio Yield	8.36%	8.76%
Cost of Savings	6.25	6.34
Net Spread	2.11	2.42

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change Before Interest	Quarterly Interest Credited	Quarterly Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914
	July	394,200	---	*	394,200
	August	560,351	---	---	560,351
	September	177,834	327,205	55,174	449,865
	October	158,716	---	---	158,716

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

OCTOBER 31, 1977

Savings by Type of Account

	No. of Accounts	Amount	% of Total	Ave. Acct. Balance	Net for October	Net for Year
5.25% Passbooks	4,319	$ 9,930,195.97	45.04%	$ 2,299.19	$(226,627.76)	$ (49,366.99)
5.75% 3 Mo. Certificate	35	172,041.61	.78	4,915.47	32,434.10	167,041.61
6.00% 1 Yr. Certificate	---	---	---	---	---	(20,000.00)
6.25% 1 Yr. Certificate	1	10,320.89	.05	10,320.89	---	320.89
6.50% 1 Yr. Certificate	493	2,967,645.49	13.46	6,019.56	(64,882.24)	553,671.09
6.60% 1 Yr. Certificate	1	100,012.64	.45	100,012.64	(1,650.00)	12.64
6.75% 30 Mo. Certificate	151	1,020,535.44	4.63	6,758.51	33,656.56	157,135.44
7.50% 4 Yr. Certificate	759	4,506,856.86	20.44	5,937.89	112,632.60	1,474,222.92
7.75% 6 Yr. Certificate	485	3,338,959.07	15.15	6,884.45	273,152.68	1,586,320.26
	6,244	$22,046,567.97	100.00%	$ 3,530.84	$ 158,715.94	$3,869,357.86

Growth by Branch	Total Savings	Net for October	Net for Year		COST - YIELD OF MONEY Ave. Loan Yield	Cost of Savings	Net Spread
Belen	$14,815,983	$ 54,925	$2,140,554	12-31-76	8.36	6.25	2.11
Socorro	5,653,100	206,566	1,173,449	6-30-77	8.47	6.21	2.26
Grants	1,577,485	(102,775)	555,355	10-31-77	8.76	6.34	2.42
	$22,046,568	$158,716	$3,869,358				

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

OCTOBER 31, 1977

Assets

Conventional First Mortgage Loans	$17,992,824.24
FHA Loans	461,804.08
Home Improvement Loans	68,092.08
Other Loans and Contracts	17,434.95
Federal Home Loan Mortgage Corp. Participations	998,525.31
Government National Mortgage Authority Participations	97,476.29
Total Loans on Real Estate	$19,636,156.95
Mobile Home Loans	180,639.33
Loans on Savings Accounts	234,850.71
Accrued Income (Schedule I)	165,569.80
Stock in Federal Home Loan Bank	161,400.00
Cash on Hand and in Banks	103,297.90
Certificates of Deposit	615,000.00
Banker's Acceptances	1,542,754.74
Government Agencies	694,393.17
Federal Funds	450,000.00
Office Building and Land (Less $71,495.60 Depreciation)	158,374.34
Furniture and Equipment (Less $76,681.22 Depreciation)	89,863.42
Investment Real Estate	32,978.59
Foreclosed REO	19,691.01
Prepaid FSLIC Secondary Reserve	42,313.97
Savings Draft Receivable	17,115.57
Prepaid Expenses (Schedule II)	15,294.03
Investment in Branches	595.30
Accounts Receivable	138.50
Total Assets	$24,160,427.33

Liabilities

Savings and Certificate Accounts	$22,046,567.97
Accrued Interest on Savings	116,000.00
Borrowers' Escrow Accounts	288,374.02
Loans in Process	33,210.55
Mortgage Payable	17,600.00
Deferred Income (Schedule III)	168,406.95
Accrued Accounts Payable (Schedule IV)	145,530.80
Total Liabilities	$22,815,690.29

Stockholders' Equity

Capital Stock Outstanding	$ 300,000.00
Paid In Capital Surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	483,737.04
Total Stockholders' Equity	$ 1,344,737.04
Total Liabilities and Stockholders' Equity	$24,160,427.33

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

OCTOBER 31, 1977

Schedule I - Accrued Income

Loan Interest	$101,801.90
Interest on FHLMC Participations	15,631.98
Income on Government Agencies	16,533.70
Income on Certificates of Deposit	10,174.38
Income on Bankers Acceptances	13,357.84
FHLB Dividends	8,070.00
	$165,569.80

Schedule II - Prepaid Expenses

Insurance	$ 1,859.43
Federal Insurance Premiums	9,663.60
Supplies	1,350.00
Audit and Examinations	2,421.00
	$ 15,294.03

Schedule III - Deferred Income

Loan Fees	$ 89,185.68
Mobile Home Loan Interest	46,677.84
Home Improvement Loan Interest	10,620.11
FHA Loan I iscount	24,426.93
Less Premium on Investments	2,503.61
	$173,414.17

Schedule IV - Accrued Accounts Payable

Operating Expenses	$ 11,131.50
Travelers Check and Money Order Receipts	11,790.73
Estimated Income Taxes	73,888.78
Deferred Income Taxes	44,550.00
Payroll Taxes	764.24
Mortgage Insurance Premiums	612.50
Collections and Unapplied Funds	2,793.05
	$145,530.80

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

OCTOBER 31, 1977

Income	Month of October	Year to Date
Interest on Real Estate Loans	$133,376.41	$1,286,436.73
Interest on Loans on Savings	1,131.42	5,949.29
Income on Investments	19,242.40	136,525.84
FHLB Dividends	807.00	8,070.00
Loan and Commitment Fees	8,377.73	59,192.47
Escrow and Collection Fees	311.30	17,286.86
Appraisal and Credit Fees	50.08	7,778.14
Service Fees	3,535.00	10,753.50
Assumption and Transfer Fees	105.00	505.00
Late Charges	457.89	1,901.57
Prepayment Fees	1,961.38	4,681.76
Income on Investment Real Estate	100.00	600.00
Income on FHLMC and GNMA Participations	6,509.04	76,896.87
Miscellaneous	410.83	804.05
Total Income	$176,375.48	$1,617,382.08
Expenses		
Salaries	$ 10,118.56	$ 109,568.20
Payroll Taxes	874.24	8,377.41
Group Insurance	564.92	5,040.27
Other Employee Benefits	1,276.46	6,963.35
Directors Fees	525.00	7,800.00
Auto Expense	304.89	2,071.53
Travel and Entertainment	283.73	1,481.60
Office Occupancy	1,431.86	17,381.36
Furniture and Equipment Expense	2,321.15	20,761.76
Advertising	1,509.71	12,646.11
Contributions	650.00	10,053.40
Printing and Supplies	2,340.86	11,848.39
Postage	1,174.32	3,905.49
Telephone	356.64	6,522.27
Audit and Examinations	1,000.00	9,478.05
Legal Fees	417.00	1,697.16
Data Processing	1,412.02	7,209.41
Federal Insurance Premiums	1,380.51	12,247.85
Fidelity and Casualty Insurance	361.26	3,950.34
Dues	---	3,159.02
Loan Expense	436.77	2,641.68
Interest on Mortgage	---	680.29
Cash Over and Short	60.04	51.03
Miscellaneous	404.70	13,401.35
Total Operating Expenses	$ 29,204.64	$ 278,937.32
Net Before Non-Operating Items	$147,170.84	$1,338,444.76
Non-Operating Items:		
REO Expenses	(2,333.05)	391.50
Losses on REO	---	2,206.74
Net Before Interest and Taxes	$149,503.89	$1,335,846.52
Interest on Savings	118,393.46	1,052,031.72
Net Before Taxes	31,110.43	$ 283,814.80
Estimated Income Taxes	9,000.00	73,500.00
Net Income	$ 22,110.43	$ 210,314.80

BELEN SAVINGS AND LOAN ASSOCIATION

SUMMARY OF SPECIFIED ASSETS, NET WORTH AND RESERVE REQUIREMENTS

OCTOBER 31, 1977

Specified Assets

Total Assets			$24,160,427.33
Less: Cash		$ 103,297.90	
Qualifying Investments		4,300,673.22	
Accrued Investment Income		63,767.90	
Prepaid FSLIC Secondary Reserve		42,313.97	
Prepaid FSLIC Premiums		9,663.60	
FHLB Stock		161,400.00	
Loans in Process		33,210.55	
80% of Guaranteed Loans		447,424.30	
Share Loans		234,850.71	5,396,602.15
Net Specified Assets			$18,763,825.18

Adjusted Net Worth

Net Worth		$ 1,344,737.04
Less 20% of Scheduled Items		14,259.11
Adjusted Net Worth		$ 1,330,477.93
Adjusted Net Worth as a Percent of Specified Assets		7.09%

FHLB Requirements

(A)	Required Federal Insurance Reserve		$ 534,266.64
	Actual Federal Insurance Reserve		405,000.00
	Net Difference	(1)	$ 129,266.64
(B)	Required Net Worth:		
	3.5% of 5 year savings average		$ 519,127.53
	20% of Scheduled Items		14,259.11
	5% of Secured Long-Term Debt		880.00
	Total Requirements		$ 534,266.64
	Actual Net Worth		1,344,737.04
	Net Difference - Excess of		$ 810,470.40

(1) This reserve requirement will be met at year end by a transfer from undivided profits.

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENT SUMMARY AND SCHEDULED ITEMS

OCTOBER 31, 1977

TOTAL DELINQUENCY	No. of Loans 9-30-77	No. of Loans 10-31-77	Net Change	Amount	% of Loans
10 to 30 days	45	42	- 3	$ 880,631.78	4.77%
31 to 60 days	11	21	+10	371,548.13	2.01
61 to 90 days	5	1	- 4	27,725.51	.15
Over 90 days	3	3	---	37,504.84	.20
Loans in Foreclosure	1	1	---	14,099.71	.08
	65	68	+ 3	$1,331,509.97	7.21%

Scheduled Items

Loans 90 days or more delinquent	$ 37,504.84
Loans in Foreclosure	14,099.71
Real Estate Owned	19,691.01
	$ 71,295.56

Scheduled Item Analysis
(As a percent of Specified Assets)

	December 31, 1976 Amount	December 31, 1976 %	October 31, 1977 Amount	October 31, 1977 %
Net Slow Loans	$122,448	.75	$51,605	.28
Net Real Estate Owned	22,276	.14	19,691	.10
Net Scheduled Items	$144,724	.89	$71,296	.38

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

OCTOBER 31, 1977

Owner	Address	Loan Number	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Refinance Loans								
Erick Erickson	401 Melody Ln, Socorro	1926	Single	$30,000.00	9.50%	$17,000.00	$170.00	$170.00
Burl Cox	Rt 1, Box 1322A, Bosque Farms	1927	New-Single	50,200.00	9.25%	39,000.00	390.00	190.00
Wilmer Gabaldon	Map 87, Los Chavez (Belen)	1928	New-Single	65,300.00	9.25%	31,000.00	310.00	110.00
Thomas Lynch	637 Palmer Ln, Belen	1930	New-Single	43,600.00	9.25%	30,000.00	300.00	100.00
George Hucke	121 Mustang, Socorro	1933	New-Single	43,300.00	9.25%	34,632.00	346.32	146.32
Lee Romero	Rt 4, Los Cerritos (Belen)	1935	New-Single	54,800.00	9.25%	32,000.00	320.00	120.00
Eloy Ortiz	Box 345, Grants	1936	Single	41,500.00	9.25%	29,000.00	290.00	90.00
Paul Cooper	1664 Todd Pl, Bosque Farms	1937	Single	69,000.00	9.25%	55,000.00	550.00	350.00
Dennis Siebolds	1234 Calle Del Lago, Socorro	1938	New-Single	48,200.00	9.25%	35,000.00	350.00	150.00
Ralph Stuve	So. Hwy 53, Grants	1939	Single	33,000.00	9.25%	25,000.00	250.00	50.00
Robert Linton	508 S. 12th., Belen	1942	Single	38,500.00	9.25%	27,800.00	278.00	78.00
Richard Fernandez	Lot 7, Lemon Acres, Los Lunas	1943	New-Single	58,000.00	9.25%	38,000.00	380.00	180.00
Charles Green	Lot 11, Blk 5, Bosque Park	1944	Single	63,800.00	9.50%	47,850.00	478.50	278.50
Pete Griego	437 Nimitz, Grants	1946	Single	18,500.00	9.50%	12,000.00	120.00	-0-
						$453,282.00	$4,532.82	$2,012.82
Conventional Loans								
Carl ToersBijns	204 Riley, Belen	1931	New-Single	$44,780.00	9.25%	$32,500.00	$325.00	$125.00
Charles Gregory	356 Macy Ct., Belen	1932	Single	35,000.00	9.25%	24,500.00	245.00	245.00
George Elliott	424 Elder, Grants	1940	Single	22,000.00	9.25%	17,600.00	176.00	-0-
Joseph LaManna	304 Ricardo, Belen	1941	New-Single	53,500.00	9.25%	10,000.00	100.00	-0-
						$84,600.00	$846.00	$370.00
FHA Loans								
Alex Archuleta	123 Lincoln, Grants	1934	Single	31,500.00	8.50%	$30,750.00	$307.50	$722.50
Home Improvement Loans								
Robert Rossberg	307 Horner, Belen	1929	Single		7% Add On	$2,484.36	$64.25	$364.11

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

OCTOBER 31, 1977

Owner	Address	Interest Rate	Loan Amount	Loan Fees	Expiration Date
Loan Commitments Made					
Milton George	Map 71, MRGCD, Los Lunas	9.25%	$17,500.00	$175.00	02-03-78
Norman Fones	Lot 4, La Ponderosa, Belen	9.25%	37,000.00	370.00	03-17-78
Merhage Michael	Vida Buena Est., Grants	9.25%	58,000.00	580.00	02-25-78
Troy Hamblin	Rt 4, Box 1013, Belen	9.25%	25,000.00	250.00	03-10-78
Orban Winton	115 Stallion Cr., Socorro	9.25%	30,695.00	306.95	01-02-78
			$168,195.00	$1,681.95	

BELEN SAVINGS AND LOAN ASSOCIATION

LIQUIDITY INVESTMENT REPORT

OCTOBER 31, 1977

Bankers' Acceptances	Investments	Face Amount	Yield	Due Date
Union Bank, L.A.	$208,491.08	$210,591.73	6.36	11-23-77
United Bank of Virginia	198,024.44	200,000.00	6.41	11-29-77
Republic Bank of N.Y.	194,567.38	197,731.08	6.10	12-06-77
Republic Bank of N.Y.	98,754.17	100,000.00	6.54	12-14-77
First Nat'l St. Bank N.J.	245,333.33	250,000.00	6.10	12-27-77
Union Bank, L.A.	98,394.86	100,000.00	6.45	12-30-77
Shawmut Bk, of Boston	246,543.06	250,000.00	6.73	01-11-78
Fidelity Nat'l Bank, Phil. Pa.	252,646.42	259,841.13	5.70	01-16-78
	$1,542,754.74	$1,568,163.94		

Goverment Agencies				
Treasury Note	$199,890.00	$200,000.00	7.25	12-31-77
Federal Land Bank Note	100,000.00	100,000.00	8.70	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$694,393.17	$700,000.00		

Certificates of Deposit				
Bank of Santa Fe	$100,000.00	$100,000.00	6.50	07-20-78
Clovis National	140,000.00	140,000.00	6.625	07-22-78
First Nat'l Bk Lea Cnty (Hobbs)	275,000.00	275,000.00	6.625	07-22-78
First Nat'l Bank, Clovis	100,000.00	100,000.00	7.125	09-20-78
	$615,000.00	$615,000.00		

Average Return on Investments	Amount	Ave. Rate
Bankers' Acceptances	$1,542,754.74	6.26
Goverment Agencies	694,393.17	6.94
Certificates of Deposit	615,000.00	6.68
All Investments	2,852,147.91	6.51

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	1977 October
Interest on Loans	$134,507.83
Income on Investments	20,049.40
Loan Origination Fees	8,377.73
Other Fees and Charges	6,420.65
Other Income	7,019.87
	$176,375.48

Expenses	
Salaries & Employees Expense	$ 12,834.18
Directors' Fees	525.00
Travel & Entertainment	283.73
Office Occupancy	1,431.86
Furniture & Equipment	2,321.15
Advertising	1,509.71
Audit & Examination	1,000.00
Legal Fees	417.00
Federal Insurance	1,380.51
Other Expenses	5,168.45
Estimated Income Tax	9,000.00
	$ 35,871.59
Net Before Interest	140,503.89
Interest on Savings	118,393.46
Net Income (Loss)	$ 22,110.43

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	'76 Monthly Average	'77 Monthly Average (Jan.-May)	1977 June	1977 July	1977 August	1977 September
Interest on Loans	$99,089.86	$120,516.67	$140,528.60	$150,987.14	$149,366.84	$134,424.22
Income on Investments	10,727.03	11,678.81	11,280.21	16,128.38	19,400.14	18,945.07
Loan Origination Fees	4,909.10	4,537.63	5,810.40	7,834.06	8,265.16	7,489.77
Other Fees and Charges	2,703.92	3,384.89	9,051.05	2,807.70	7,416.62	5,952.52
Other Income	4,515.71	8,071.88	7,840.78	8,086.29	7,258.38	7,305.08
	$121,945.62	$148,189.88	$174,511.04	$185,843.57	$191,707.14	$174,116.66
Expenses						
Salaries & Employees Expense	$ 11,429.36	$12,945.46	$ 13,195.94	$ 13,164.22	$13,479.02	$ 12,799.06
Directors' Fees	887.50	937.50	675.00	525.00	450.00	675.00
Travel & Entertainmant	232.63	265.73	245.14	238.08	184.82	285.82
Office Occupancy	1,789.57	1,756.68	4,663.48	1,483.02	1,756.33	2,170.07
Furniture & Equipment	1,554.23	1,987.08	7,212.62	1,369.55	2,895.48	2,253.10
Advertising	1,081.65	1,033.44	1,341.19	1,444.43	2,049.91	1,741.40
Audit & Examination	1,173.58	1,079.68	2,451.80	1,000.00	500.00	500.00
Legal Fees	(2.73)	145.60	-	-	-	406.58
Federal Insurance	969.16	1,120.07	1,380.51	1,380.51	1,380.51	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39	4,919.20	12,055.79	9,140.02
Estimated Income Tax	3,795.83	5,066.67	30,400.00	13,200.00	12,400.00	8,500.00
	$ 26,872.60	$32,289.04	$ 70,808.07	$ 38,421.01	$ 47,151.86	$ 39,851.56
Net before Interest	$ 95,073.02	$115,900.84	$103,702.97	$147,422.56	$ 144,555.28	$134,265.10
Interest on Savings	81,691.98	100,067.54	105,475.65	107,946.29	112,669.03	112,617.70
Net Income (Loss)	$13,381.04	$ 15,833.30	$ (1,772.68)	$ 39,476.27	$ 31,886.25	$ 21,647.40

MINUTES OF THE MEETING
OF
DIRECTORS
OF
BELEN SAVINGS AND LOAN ASSOCIATION

October 18, 1977

The meeting of Directors of Belen Savings and Loan Association was held in Belen 12:30 P.M. on October 18, 1977. All Directors were present except Lovett and Coulson, whose absence were excused and also present were Messrs. Trump, Boynton, Marsh and Mrs. Bacon.

The Minutes of the Board of Directors Meeting of September were read after which a resolution was adopted to approve the minutes as read.

The President presented to the Directors a Statement of Condition, Statement ofOperations, Report of Loan Delinquency, Report of Real Estate Owned, Report of Savings Activities and Report of Liquidity Investment for the month and they were approved. A copy of such report is contained in the Exhibits File designated as Board Exhibit "I" to the minutes of this meeting.

The President recommended to the Board that Peat, Marwick, Mitchell and Company be employed to conduct the fiscal year end September 30, 1977 audit. Upon motion being seconded it was unanimously approved.

There being no further business to come before the Board the meeting was adjourned.

W R Sanderson

ATTEST:

[illegible]

An amount or word "NONE" should be entered for each item

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

DISTRICT/DOCKET	NAME OF ASSOCIATION
09/6827	Belen Savings & Loan Assoc.

NUMBER AND STREET: 634 Becker Avenue

CITY	STATE	ZIP
Belen	New Mexico	87002

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding:		
Construction	001	$ None
Other	002	18,454,628
Real Estate Acquired by Foreclosure or Deed in Lieu:		
Sold on Contract and Loans to Facilitate	003	None
Unsold or in Judgment	004	19,691
Mortgages, Participations or Mortgage-Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,096,002
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	266,166
Cash and Investment Securities:		
Eligible for Liquidity	007	2,995,512
Ineligible for Liquidity	008	450,000
Other Assets	009	878,428
Total Assets	050	24,160,427
MEMO: Average Daily Balance in Loans of Federal Funds	061	649,194

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning:		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 407,807
In Other Accounts	102	11,708,565
At or Below Regular Rate Paid on Passbook Savings	103	9,930,196
FHLB Advances	104	None
Other Borrowed Money	105	17,600
Loans in Process	106	33,210
Other Liabilities	107	718,312
Total Net Worth (Including Net Undistributed Income)	108	1,344,737
Total Liabilities and Net Worth	150	24,160,427
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	2,400

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed:		
Condominiums	201	$ None
Single-Family Dwellings	202	None
2-4 Dwelling Unit Structures	203	None
5 or More Dwelling Unit Structures	204	None
Nonresidential	205	None
Loans Closed for Purchasing:		
Single-Family Homes:		
Newly-Built Homes	206	42,500
Previously-Occupied Homes	207	72,850
2-4 Dwelling Unit Structures	208	None
5 or More Dwelling Unit Structures	209	None
Nonresidential	210	None
Land Loans Closed	211	None
Refinancing Loans Closed	212	453,282
Loans Closed for All Other Purposes	213	None
Total Loans Closed (220 = 201 through 213)	220	568,632
Loans and Participations Purchased	221	None
Loans and Participations Sold	222	None
Cash Repayment of Principal	223	222,097
Debits Less Credits Other Than Cash Repayment of Principal	224	None
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 – 222 – 223 + 224)	250	346,535
MEMO: Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	None
Non-Cash Portion of Refinancing Loans Reported This Month	262	11,678
Loans and Contracts Delinquent 60 Days or More	263	79,330

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month:		
To Originate Loans	301	$ 168,195
To Purchase Loans from Other Lenders	302	None
All Commitments Outstanding at End of Month:		
To Originate Loans	303	735,675
To Purchase Loans from Other Lenders	304	None
Cash Expected to be Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	251,620
2-3 Months After Reporting Month	306	294,655
4-6 Months After Reporting Month	307	189,400
7-12 Months After Reporting Month	308	None
More Than 12 Months After Reporting Month	309	None

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ None

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ None
New Savings Received	502	1,360,792
Savings Withdrawn	503	1,202,076
Net Change in Savings (550 = 501 + 502 – 503)	550	158,716

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 1,286,437
Interest on Investments	602	136,526
Other Operating Income	603	194,419
Other Non-Operating Income	604	None
Total Income (620 = 601 through 604)	620	1,617,382
Operating Expense	621	278,257
Interest/Dividends on Savings	622	1,052,032
Interest on Advances and Borrowed Money	623	680
Non-Operating Expense	624	2,598
Federal and State Income Taxes	625	73,500
Total Expense (640 = 621 through 625)	640	1,407,067
Net Income (650 = 620 minus 640)	650	210,315

The following NUMBER of months of income and expense data are included in the above FISCAL-YEAR-TO DATE figures: 661 | 1 | 0

MEMO: Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition: 701

PREPARED BY: W.R. Sanderson

PHONE NO. *(Include area code)*: 505-864-4474

MONTH ENDED: October 31, 1977

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICR Coordinator at your District Bank.

meeting
10-18-79

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	September 30, 1977
Total Assets	$14,985,067	$19,864,912	$23,811.200
Loans Outstanding	12,228,082	17,321,459	19,740,736
Savings Accounts	13,599,402	18,177,210	21,887,852
Mortage Payable	22,000	19,600	17,600
Cash and Securities	1,249,549	2,012,567	3,388,928
Stockholders' Equity	1,022,063	1,157,672	1,322,627
Stock Outstanding	3,000 Sh.	3,000 Sh.	3,000 Sh.
Stockholders' Equity Per Share	$ 340.69	$ 385.89	$ 440.88

Net Loan Portfolio Yield	8.36%	8.74%
Cost of Savings	6.25	6.30
Net Spread	2.11	2.44

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change Before Interest	Interest Added to Accounts	Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914
	July	394,200	---	*	394,200
	August	560,351	---	---	560,351
	September	177,834	327,205	55,174	449,865

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

SEPTEMBER 30, 1977

Savings by Type of Account

	No. of Accounts	Amount	% of Total	Ave. Acct. Balance	Net for September	Net for Year
5.25% Passbooks	4,297	$10,156,823.73	46.40%	$ 2,363.70	$115,207.28	$ 177,260.77
5.75% 3 Mo. Certificate	32	139,607.51	.64	4,362.73	37,856.67	134,607.51
6.00% 1 Yr. Certificate	---	---	---	---	---	(20,000.00)
6.25% 1 Yr. Certificate	1	10,320.89	.05	10,320.89	162.14	320.89
6.50% 1 Yr. Certificate	492	3,032,527.73	13.85	6,163.67	85,576.72	618,553.33
6.60% 1 Yr. Certificate	1	101,662.64	.46	101,662.64	1,662.64	1,662.64
6.75% 30 Mo. Certificate	149	986,878.88	4.51	6,623.35	32,915.53	123,478.88
7.50% 4 Yr. Certificate	731	4,394,224.26	20.08	6,011.25	114,745.79	1,361,590.32
7.75% 6 Yr. Certificate	457	3,065,806.39	14.01	6,708.55	61,737.84	1,313,167.58
	6,160	$21,887,852.03	100.00%	$ 3,553.22	$449,864.61	$3,710,641.92

Growth By Branch	Total Savings	Net for September	Net for Year		COST - YIELD OF MONEY Ave. Loan Yield	Cost of Savings	Net Spread
Belen	$14,761,058	$187,101	$2,085,629	12-31-76	8.36	6.25	2.11
Socorro	5,446,534	100,645	966,883	6-30-77	8.47	6.21	2.26
Grants	1,680,260	162,119	658,130	9-30-77	8.74	6.30	2.44
	$21,887,852	$449,865	$3,710,642				

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

SEPTEMBER 30, 1977

Assets

Conventional First Mortgage Loans	$17,676,550.09
FHA Loans	431,542.45
Home Improvement Loans	67,688.71
Other Loans and Contracts	17,761.75
Federal Home Loan Mortgage Corp. Participations	1,016,788.33
Government National Mortgage Authority Participations	98,311.96
Total Loans on Real Estate	$19,308,643.29
Mobile Home Loans	183,681.18
Loans on Savings Accounts	248,411.85
Accrued Income (Schedule I)	146,643.94
Stock in Federal Home Loan Bank	161,400.00
Cash on Hand and in Banks	234,415.76
Certificates of Deposit	615,000.00
Banker's Acceptances	1,445,119.32
Government Agencies	694,393.17
Federal Funds	400,000.00
Office Building and Land (Less $70,852.39 Depreciation)	159,017.55
Furniture and Equipment (Less $74,764.72 Depreciation)	87,338.15
Investment Real Estate	32,928.19
Prepaid FSLIC Secondary Reserve	42,313.97
Savings Drafts Receivable	32,390.05
Prepaid Expenses (Schedule II)	15,278.54
Investment in Branches	595.30
Accounts Receivable	3,629.48
Total Assets	$23,811,199.74

Liabilities

Savings and Certificate Accounts	$21,887,852.03
Borrowers' Escrow Accounts	271,446.89
Loans in Process	246.50
Mortgage Payable	17,600.00
Deferred Income (Schedule III)	167,644.99
Accrued Accounts Payable (Schedule IV)	143,782.72
Total Liabilities	$22,488,573.13

Stockholders' Equity

Capital Stock Outstanding	$ 300,000.00
Paid In Capital Surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	461,626.61
Total Stockholders' Equity	$ 1,322,626.61
Total Liabilities and Stockholders' Equity	$23,811,199.74

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

SEPTEMBER 30, 1977

Schedule I - Accrued Income

Loan Interest	$ 95,264.66
Interest on FHLMC Participations	15,958.09
Income on Government Agencies	12,495.78
Income on Certificates of Deposit	6,747.81
Income on Bankers Acceptances	8,914.60
FHLB Dividends	7,263.00
	$146,643.94

Schedule II - Prepaid Expenses

Insurance	$ 2,209.43
Federal Insurance Premiums	11,044.11
Supplies	2,025.00
	$ 15,278.54

Schedule III - Deferred Income

Loan Fees	$ 86,849.57
Mobile Home Loan Interest	47,999.16
Home Improvement Loan Interest	11,051.77
FHA Loan Discount	24,426.93
Less Premium on Investments	(2,682.44)
	$167,644.99

Schedule IV - Accrued Accounts Payable

Operating Expenses	$ 8,103.04
Traveler Check and Money Order Receipts	17,358.12
Estimated Income Taxes	64,888.78
Deferred Income Taxes	44,550.00
Payroll Taxes	1,734.12
Mortgage Insurance Premiums	466.50
Collections and Unapplied Funds	4,682.16
Audit and Examinations	2,000.00
	$143,782.72

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

SEPTEMBER 30, 1977

Income	Month of September	Year to Date
Interest on Real Estate Loans	$133,796.03	$1,153,060.32
Interest on Loans on Savings	628.19	4,817.87
Income on Investments	18,138.07	117,283.44
FHLB Dividends	807.00	7,263.00
Loans and Commitment Fees	7,489.77	50,814.74
Escrow and Collection Fees	344.05	16,975.56
Appraisal and Credit Fees	273.65	7,728.06
Service Fees	2,889.50	7,218.50
Assumption and Transfer Fees	200.00	400.00
Late Charges	738.57	1,443.68
Prepayment Fees	1,506.75	2,720.38
Income on Investment Real Estate	100.00	500.00
Income on FHLMC and GNMA Participations	6,811.86	70,387.83
Miscellaneous	393.22	393.22
Total Income	$174,116.66	$1,441,006.60
Expenses		
Salaries	$ 10,353.32	$ 99,449.64
Payroll Taxes	864.51	7,503.17
Group Insurance	304.77	4,475.35
Other Employee Benefits	1,276.46	5,686.89
Directors Fees	675.00	7,275.00
Auto Expense	329.83	1,766.64
Travel and Entertainment	285.82	1,197.87
Office Occupancy	2,170.07	15,949.50
Furniture and Equipment Expense	2,253.10	18,440.61
Advertising	1,741.40	11,136.40
Contributions	773.40	9,403.40
Printing and Supplies	1,660.30	9,507.53
Postage	611.45	2,731.17
Telephone	1,045.43	6,165.63
Audit and Examinations	500.00	8,478.05
Legal Fees	406.58	1,280.16
Data Processing	1,945.11	5,797.39
Federal Insurance Premiums	1,380.51	10,867.34
Fidelity and Casualty Insurance	350.00	3,589.08
Dues	218.65	3,159.02
Loan Expense	92.43	2,204.91
Interest on Mortgage	118.33	680.29
Cash Over and Short	22.06	(9.01)
Miscellaneous	1,973.03	12,996.65
Total Operating Expenses	$ 31,351.56	$ 249,732.68
Net Before Non-Operating Items	$142,765.10	$1,191,273.92
Non Operating Items:		
REO Expenses	---	$ 2,724.55
Losses on REO	---	2,206.74
Net Before Interest and Taxes	$142,765.10	$1,186,342.63
Interest on Savings	112,617.70	933,638.26
Net Before Taxes	30,147.40	252,704.37
Estimated Income Taxes	8,500.00	64,500.00
Net Income	$ 21,647.40	$ 188,204.37

BELEN SAVINGS AND LOAN ASSOCIATION

SUMMARY OF SPECIFIED ASSETS, NET WORTH AND RESERVE REQUIREMENTS

SEPTEMBER 30, 1977

Specified Assets

Total Assets			$23,811,199.74
Less: Cash		$ 234,415.76	
Qualifying Investments		4,171,300.83	
Accrued Investment Income		51,379.28	
Prepaid FSLIC Secondary Reserve		42,313.97	
Prepaid FSLIC Premiums		11,044.11	
FHLB Stock		161,400.00	
Loans in Process		246.50	
80% of Guaranteed Loans		423,883.53	
Share Loans		248,411.85	5,344,395.82
Net Specified Assets			$18,466,803.92

Adjusted Net Worth

Net Worth		$ 1,322,626.61
Less 20% of Scheduled Items		12,315.47
Adjusted Net Worth		$ 1,310,311.14
Adjusted Net Worth as a Percent of Specified Assets		7.10%

FHLB Requirements

(A) Required Federal Insurance Reserve			$ 518,016.52
Actual Federal Insurance Reserve			405,000.00
Net Difference	(1)		$ (113,016.52)
(B) Required Net Worth:			
3.5% of 5 year savings average			$ 518,016.52
20% of Scheduled Items			12,315.47
5% of Secured Long-Term Debt			880.00
Total Requirement			$ 531,211.99
Actual Net Worth			1,322,626.61
Net Difference			$ 791,414.62

(1) This reserve requirement must be met at year end by a transfer from undivided profits.

Belen • Socorro • Grants

BELEN SAVINGS

October 12, 1977

Mr. Austin D. Lovett
Box 638
Belen, New Mexico 87002

Dear Mr. Lovett,

Enclosed is your Directors' Report for the month ending September 30, 1977 and year-to-date. Please review the report and advise me if you wish to discuss any of its content prior to the meeting.

The meeting is scheduled for Tuesday, October 18th. at the Horizon Country Club and a detailed review of the report will be provided at that time. Lunch will be served at 12:00 noon followed by the Directors' Meeting.

Very truly yours,

John L. Boynton

JLB:rj
Encl.

% of Loans
3.88%
.68
.55
.25
.09
5.45%

ber 30, 1977
t %
7 .33
— ---
7 .33

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENT SUMMARY AND SCHEDULED ITEMS

SEPTEMBER 30, 1977

TOTAL DELINQUENCY	No. of Loans 8-31-77	9-30-77	Net Change	Amount	% of Loans
10 to 30 Days	53	45	- 8	$711,559.70	3.88%
31 to 60 Days	24	11	-13	124,878.69	.68
61 to 90 Days	9	5	- 4	100,714.44	.55
Over 90 Days	3	3	---	45,237.53	.25
Loans in Foreclosure	1	1	---	16,339.82	.09
	90	65	-25	$998,730.18	5.45%

Scheduled Items

Loans 90 Days or more Delinquent	$ 45,237.53
Loans in Foreclosure	16,339.82
	$ 61,577.35

Scheduled Item Analysis
(As a percent of Specified Assets)

	December 31, 1976 Amount	%	September 30, 1977 Amount	%
Net Slow Loans	$122,448	.75	$61,577	.33
Net Real Estate Owned	22,276	.14	---	---
Net Scheduled Items	$144,724	.89	$61,577	.33

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

SEPTEMBER 30, 1977

Owner	Address	Loan Number	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Refinance Loans								
Donald Garcia	St. Rt 1, Box 1A, Belen	1914	New-Single	$25,700.00	9.25%	$15,000.00	$150.00	-0-
George Koch	125 Damon St., Belen	1915	New-4-Plex	63,300.00	9.25%	48,000.00	480.00	$280.00
Andrew Mirabal	809 Mesa Blvd, Grants	1916	New-Single	53,500.00	9.25%	35,000.00	350.00	150.00
James Fisher	1634 Los Lentes Rd, Los Lunas	1918	New-Single	93,000.00	9.25%	55,000.00	550.00	350.00
Victor Pineda	203 San Lorenzo Dr., Belen	1919	Single	21,000.00	9.50%	15,300.00	153.00	153.00
Joseph Smith	320 Chavez, Belen	1921	Single	24,500.00	9.50%	15,000.00	150.00	-0-
Robert Strong	Rt 5, Box 219, Los Lunas	1922	Single	32,300.00	9.25%	15,000.00	150.00	150.00
						$198,300.00	$1,983.00	$1,083.00
Conventional Loans								
Robert Morgan	96 Norma, Belen	1907	New-Single	$41,600.00	9.25%	$25,000.00	250.00	50.00
John Craddock	Rt 1, Box 303, Bosque Farms	1911	New-Single	40,000.00	9.25%	32,000.00	320.00	120.00
Jerry Long	605 Western, Socorro	1912	New-Single	41,600.00	9.25%	34,000.00	340.00	140.00
Louis Karika	355 Meade Ct., Belen	1913	New-Single	37,800.00	9.25%	18,950.00	189.50	-0-
Ralph Stetson, Jr.	1402 Evergreen, Socorro	1917	Single	42,700.00	9.25%	34,160.00	341.60	141.60
Richard Henderson	529 Jefferson, Grants	1923	New-Single	34,000.00	9.25%	22,400.00	224.00	24.00
Toby Ortiz	662 High, Grants	1924	New Single	27,000.00	9.25%	20,050.00	202.50	2.50
Gilbert Silva	RFD 1, Box 157-K, Belen	1925	Single	40,000.00	9.50%	32,000.00	320.00	320.00
						$218,560.00	$2,187.60	$798.10

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

SEPTEMBER 30, 1977

Owner	Address	Interest Rate	Loan Amount	Loan Fees	Expiration Date
Loan Commitments Made					
John Eppard	Box 114, Los Lunas	9.25%	$24,000.00	$240.00	1-12-78
F. Wayne Albrecht	Lot 14, Calle Del Lugo, Socorro	9.25%	35,600.00	356.00	11-07-77
Fred Craft	1720 Del Norte, Grants	9.25%	44,000.00	440.00	1-26-78
Graig Steele	110 Stallion Cr., Socorro	9.50%	29,070.00	290.70	10-30-77
Roger Westerhall	2476 Los Lentes Rd, Los Lunas	9.25%	23,000.00	230.00	2-08-78
Felipe Luna	Ranger Station Rd. Mountainair	9.25%	25,000.00	250.00	1-30-78
Norman Mitchael	Lot 13, Ponderosa Farms, Belen	9.25%	30,560.00	305.60	12-06-77
Charles Williams	333 Hillandale, Belen	9.25%	28,900.00	289.00	2-13-78
			$240,130.00	$2,401.30	

BELEN SAVINGS AND LOAN ASSOCIATION

LIQUIDITY INVESTMENT REPORT

SEPTEMBER 30, 1977

Bankers' Acceptances	Investments	Face Amount	Yield	Due Date
New England Merchants	$198,578.61	$200,000.00	5.99	10-04-77
Republic Bank, N.Y.	247,107.64	250,000.00	6.02	10-27-77
Union Bank, L.A.	208,491.08	210,591.73	6.36	11-23-77
Republic Bank, N.Y.	194,567.38	197,731.08	6.10	12-06-77
First Nat'l St. Bank N.J.	245,333.33	250,000.00	6.10	12-27-77
Union Bank, L.A.	98,394.86	100,000.00	6.45	12-30-77
Fidelity Nat'l Bank, Phil. Pa.	252,646.42	259,841.13	5.70	01-16-78
	$1,445,119.32	$1,468,163.94		

Goverment Agencies				
Treasury Note	$199,890.00	$200,000.00	7.25	12-31-77
Federal Land Bank Note	100,000.00	100,000.00	8.70	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$694,393.17	$700,000.00		

Certificates of Deposit				
Bank of Santa Fe	$100,000.00	$100,000.00	6.50	07-20-78
Clovis National	140,000.00	140,000.00	6.625	07-22-78
First Nat'l Bk Lea Cnty (Hobbs)	275,000.00	275,000.00	6.625	07-22-78
First Nat'l Bank, Clovis	100,000.00	100,000.00	7.125	09-20-78
	$615,000.00	$615,000.00		

Average Return on Investments	Amount	Ave. Rate
Bankers' Acceptances	$1,445,119.32	6.06
Goverment Agencies	694,393.17	6.94
Certificates of Deposit	615,000.00	6.68
All Investments	2,754,512.49	6.42

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	'76 Monthly Average	'77 Monthly Average (Jan.-May)	1977 June	1977 July	1977 August	1977 September
Interest on Loans	$99,089.86	$120,516.67	$140,528.60	$150,987.14	$149,366.84	$134,424.22
Income on Investments	10,727.03	11,678.81	11,280.21	16,128.38	19,400.14	18,945.07
Loan Origination Fees	4,909.10	4,537.63	5,810.40	7,834.06	8,265.16	7,489.77
Other Fees and Charges	2,703.92	3,384.89	9,051.05	2,807.70	7,416.62	5,952.52
Other Income	4,515.71	8,071.88	7,840.78	8,086.29	7,258.38	7,305.08
	$121,945.62	$148,189.88	$174,511.04	$185,843.57	$191,707.14	$174,116.66
Expenses						
Salaries & Employees Expense	$ 11,429.36	$12,945.46	$ 13,195.94	$ 13,164.22	$13,479.02	$ 12,799.06
Directors' Fees	887.50	937.50	675.00	525.00	450.00	675.00
Travel & Entertainmant	232.63	265.73	245.14	238.08	184.82	285.82
Office Occupancy	1,789.57	1,756.68	4,663.48	1,483.02	1,756.33	2,170.07
Furniture & Equipment	1,554.23	1,987.08	7,212.62	1,369.55	2,895.48	2,253.10
Advertising	1,081.65	1,033.44	1,341.19	1,444.43	2,049.91	1,741.40
Audit & Examination	1,173.58	1,079.68	2,451.80	1,000.00	500.00	500.00
Legal Fees	(2.73)	145.60	-	-	-	406.58
Federal Insurance	969.16	1,120.07	1,380.51	1,380.51	1,380.51	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39	4,919.20	12,055.79	9,140.02
Estimated Income Tax	3,795.83	5,066.67	30,400.00	13,200.00	12,400.00	8,500.00
	$ 26,872.60	$32,289.04	$ 70,808.07	$ 38,421.01	$ 47,151.86	$ 39,851.56
Net before Interest	$ 95,073.02	$115,900.84	$103,702.97	$147,422.56	$ 144,555.28	$134,265.10
Interest on Savings	81,691.98	100,067.54	105,475.65	107,946.29	112,669.03	112,617.70
Net Income (Loss)	$13,381.04	$ 15,833.30	$ (1,772.68)	$ 39,476.27	$ 31,886.25	$ 21,647.40

An amount or word "NONE" should be entered for each item

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

DISTRICT/DOCKET: 096827
NAME OF ASSOCIATION: Belen Savings & Loan
6827
NUMBER AND STREET: 634 Becker Avenue, Box 523
CITY: Belen
STATE: New Mexico
ZIP: 87002

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding:		
Construction	001	$ None
Other	002	18,108,093
Real Estate Acquired by Foreclosure or Deed in Lieu:		
Sold on Contract and Loans to Facilitate	003	None
Unsold or in Judgment	004	None
Mortgages, Participations or Mortgage-Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,115,100
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	269,132
Cash and Investment Securities:		
Eligible for Liquidity	007	3,017,086
Ineligible for Liquidity	008	400,000
Other Assets	009	901,789
Total Assets	050	23,811,200
MEMO: Average Daily Balance in Loans of Federal Funds	061	511,667

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning:		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 512,798
In Other Accounts	102	11,218,230
At or Below Regular Rate Paid on Passbook Savings	103	10,156,824
FHLB Advances	104	None
Other Borrowed Money	105	17,600
Loans in Process	106	246
Other Liabilities	107	582,875
Total Net Worth (Including Net Undistributed Income)	108	1,322,627
Total Liabilities and Net Worth	150	23,811,200
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	2,400

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed.		
Condominiums	201	$ None
Single-Family Dwellings	202	None
2-4 Dwelling Unit Structures	203	None
5 or More Dwelling Unit Structures	204	None
Nonresidential	205	None
Loans Closed for Purchasing:		
Single-Family Homes:		
Newly-Built Homes	206	152,400
Previously-Occupied Homes	207	66,160
2-4 Dwelling Unit Structures	208	None
5 or More Dwelling Unit Structures	209	None
Nonresidential	210	None
Land Loans Closed	211	None
Refinancing Loans Closed	212	198,300
Loans Closed for All Other Purposes	213	None
Total Loans Closed (220 = 201 through 213)	220	416,860
Loans and Participations Purchased	221	None
Loans and Participations Sold	222	None
Cash Repayment of Principal	223	167,981
Debits Less Credits Other Than Cash Repayment of Principal	224	None
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 – 222 – 223 + 224)	250	248,879
MEMO: Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	None
Non-Cash Portion of Refinancing Loans Reported This Month	262	5,261
Loans and Contracts Delinquent 60 Days or More	263	162,292

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month:		
To Originate Loans	301	$ 240,130
To Purchase Loans from Other Lenders	302	None
All Commitments Outstanding at End of Month:		
To Originate Loans	303	850,112
To Purchase Loans from Other Lenders	304	None
Cash Expected to be Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	256,012
2-3 Months After Reporting Month	306	398,900
4-6 Months After Reporting Month	307	195,200
7-12 Months After Reporting Month	308	None
More Than 12 Months After Reporting Month	309	None

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ None

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ 272,031
New Savings Received	502	855,239
Savings Withdrawn	503	677,405
Net Change in Savings (550 = 501 + 502 – 503)	550	449,865

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 1,153,060
Interest on Investments	602	117,283
Other Operating Income	603	170,554
Other Non-Operating Income	604	None
Total Income (620 = 601 through 604)	620	1,441,007
Operating Expense	621	249,054
Interest/Dividends on Savings	622	933,638
Interest on Advances and Borrowed Money	623	680
Non-Operating Expense	624	4,931
Federal and State Income Taxes	625	64,500
Total Expense (640 = 621 through 625)	640	1,252,803
Net Income (650 = 620 minus 640)	650	188,204

The following NUMBER of months of income and expense data are included in the above FISCAL-YEAR-TO DATE figures: 661 | 0 |

MEMO: Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition: 701

PREPARED BY: W.R. Sanderson

PHONE NO. *(Include area code)*: 505-864-4474

MONTH ENDED: September 30, 1977

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICR Coordinator at your District Bank.

FHLBB Form 107
REV. JUNE 1975 EFFECTIVE JAN. 1976

MINUTES OF THE MEETING
OF
DIRECTORS
OF
BELEN SAVINGS AND LOAN ASSOCIATION

September 20, 1977

The meeting of Directors of Belen Savings and Loan Association was held in Belen at 12:30 on September 20, 1977. All Directors were present and also present were Messrs. Trump, Boynton, Marsh, Baker, and Mrs. Bacon.

The Minutes of the Board of Director's Meeting of September were read after which a resolution was adopted to approve the minutes as read.

The President presented to the Directors a Statement of Condition, Statement of Operations, Report of Loan Delinquency, Report of Real Estate Owned, Report of Savings Activities and Report of Liquidity Investment for the month and they were approved. A copy of such report is contained in the Exhibits File designated as Board Exhibit "1" to the minutes of this meeting.

The President recommended to the Board that Everett Ness be elected Assistant Vice President to the Association. Upon motion being seconded it was unanimously,

> RESOLVED, that Everett Ness be and is hereby elected to be Assistant Vice President of the Association.

There being no further business to come before the Board the meeting was adjourned.

_____

ATTEST:

_____

Belen • Socorro • Grants

BELEN SAVINGS

September 12, 1977

Austin D. Lovett
Box 638
Belen, New Mexico, 87002

Dear Mr. Lovett,

Enclosed is your Directors' Report for the month ending August 31, 1977 and year-to-date. Please review the report and advise me if you wish to discuss any of its content prior to the meeting.

The meeting is scheduled for Tuesday, September 20th. at the Horizon Country Club and a detailed review of the report will be provided at that time. Lunch will be served at 12:00 noon followed by the Directors' Meeting.

A poll of the Directors indicated that the third Tuesday of each month would be a convienent meeting date and I would, therefore, appreciate your reserving that date for subsequent meetings.

Very truly yours,

John L. Boynton

JLB:rj
Encl.

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	August 31, 1977
Total Assets	$14,985,067.00	$19,864,912.00	$23,573,000.00
Loans Outstanding	12,228,082.00	17,321,459.00	19,501,850.00
Savings Accounts	13,599,402.00	18,177,210.00	21,437,987.00
Mortgage Payable	22,000.00	19,600.00	18,000.00
Cash and Securities	1,249,549.00	2,012,567.00	3,381,401.00
Stockholders' Equity	1,022,063.00	1,157,672.00	1,300,979.00
Stock Outstanding	3,000 Sh.	3,000 Sh.	3,000 Sh.
Stockholders' Equity Per Share	$ 340.69	$ 385.89	$ 433.66

Net Loan Portfolio Yield	8.36%	8.73%
Cost of Savings	6.25	6.30
Net Spread	2.11	2.43

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change Before Interest	Interest Added to Accounts	Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914
	July	394,200	---	*	394,200
	August	560,351	---	---	560,351

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

AUGUST 31, 1977

Savings by Type of Account

	No. of Accounts	Amount	% of Total	Ave. Acct. Balance	Net for August	Net for Year
5.25% Passbooks	4,257	10,041,616.45	46.84%	2,358.85	(14,233.80)	62,053.49
5.75% 30 Mo. Certificate	22	101,750.84	.47	4,625.04	29,075.60	96,750.84
6.00% 1 Yr. Certificate	---	---	---	---		(20,000.00)
6.25% 1 Yr. Certificate	1	10,158.75	.05	10,158.75	---	158.75
6.50% 1 Yr. Certificate	486	2,946,951.01	13.75	6,063.69	77,128.93	532,976.61
6.60% 1 Yr. Certificate	1	100,000.00	.47	100,000.00	---	---
6.75 30 Mo. Certificate	149	953,963.35	4.45	6,402.44	(14,132.53)	90,563.35
7.50% 4 Yr. Certificate	719	4,279,478.47	19.96	5,951.99	171,732.07	1,246,844.53
7.75% 6 Yr. Certificate	448	3,004,068.55	14.01	6,705.51	310,781.05	1,251,429.74
	6,083	21,437,987.42	100.00%	3,524.25	560,351.32	3,260,777.31

Growth by Branch	Total Savings	Net for August	Net for Year		COST - YIELD OF MONEY Ave. Loan Yield	Cost of Savings	Net Spread
Belen	14,573,957	359,189	1,898,528	12-31-76	8.36	6.25	2.11
Socorro	5,345,889	142,392	866,238	6-30-77	8.47	6.21	2.26
Grants	1,518,141	58,770	496,011	8-31-77	8.73	6.30	2.43
Total	$21,437,987	560,351	3,260,777				

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	'76 Monthly Average	'77 Monthly Average (Jan.-May)	1977 June	1977 July	1977 August
Interest on Loans	$99,089.86	$120,516.67	$140,528.60	$150,987.14	$149,366.84
Income on Investments	10,727.03	11,678.81	11,280.21	16,128.38	19,400.14
Loan Origination Fees	4,909.10	4,537.63	5,810.40	7,834.06	8,265.16
Other Fees and Charges	2,703.92	3,384.89	9,051.05	2,807.70	7,416.62
Other Income	4,515.71	8,071.88	7,840.78	8,086.29	7,258.38
	$121,945.62	$148,189.88	$174,511.04	$185,843.57	$191,707.14
Expenses					
Salaries & Employees Expense	11,429.36	12,945.46	13,195.94	13,164.22	13,479.02
Directors' Fees	887.50	937.50	675.00	525.00	450.00
Travel & Entertainmant	232.63	265.73	245.14	238.08	184.82
Office Occupancy	1,789.57	1,756.68	4,663.48	1,483.02	1,756.33
Furniture & Equipment	1,554.23	1,987.08	7,212.62	1,369.55	2,895.48
Advertising	1,081.65	1,033.44	1,341.19	1,444.43	2,049.91
Audit & Examination	1,173.58	1,079.68	2,451.80	1,000.00	500.00
Legal Fees	(2.73)	145.60	-	-	-
Federal Insurance	969.16	1,120.07	1,380.51	1,380.51	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39	4,919.20	12,055.79
Estimated Income Tax	3,795.83	5,066.67	30,400.00	13,200.00	12,400.00
	26,872.60	32,289.04	70,808.07	38,421.01	47,151.86
Net before Interest	95,073.02	115,900.84	103,702.97	147,422.56	144,555.28
Interest on Savings	81,691.98	100,067.54	105,475.65	107,946.29	112,669.03
Net Income (Loss)	$13,381.04	$ 15,833.30	$ (1,772.68)	$ 39,476.27	31,886.25

A G E N D A

BELEN SAVINGS AND LOAN ASSN.

SEPTEMBER 20, 1977

1. Introduction of Chet Baker, Gladys Bacon and Larry Marsh.

2. Approval of minutes and waive reading.

3. Review of the report.

4. Consideration of a promotion for Everett Ness to Assistant Vice President. OK

5. Old and new business.

6. Adjournment.

JOHN BOYNTON

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

AUGUST 31, 1977

Assets

Conventional First Mortgage Loans	$17,427,148.52
FHA Loans	432,065.93
Home Improvement Loans	71,843.17
Other Loans and Contracts	18,285.65
Federal Home Loan Mortgage Corp, Participations	1,038,426.05
Government National Mortgage Authority Participations	100,105.82
Total Loans on Real Estate	19,087,875.14
Mobile Home Loans	188,641.97
Loans on Savings Accounts	225,332.46
Accrued Income (Schedule I)	156,791.46
Stock in Federal Home Loan Bank	161,400.00
Cash on Hand and in Banks	(62,278.98)
Certificates of Deposit	515,000.00
Bankers' Acceptances	1,046,449.20
Government Agencies	1,382,230.67
Federal Funds	500,000.00
Office Building and Land (Less $70,209.18 Depreciation)	159,660.76
Furniture and Equipment (Less $72,848.22 Depreciation)	91,067.70
Investment Real Estate	32,885.97
Prepaid FSLIC Secondary Reserve	42,313.97
Savings Drafts Receivable	27,945.62
Prepaid Expenses (Schedule II)	17,684.05
Total Assets	$23,572,999.99

Liabilities

Savings and Certificate Accounts	$21,437,987.42
Accrued Interest on Savings	215,194.11
Borrowers' Escrow Accounts	256,710.70
Loans in Process	246.50
Mortgage Payable	18,000.00
Deferred Income (Schedule III)	169,646.70
Accrued Accounts Payable (Schedule IV)	174,235.35
Total Liabilities	$22,272,020.78

Stockholders' Equity

Capital Stock Outstanding	$ 300,000.00
Paid In Capital Surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	439,979.21
Total Stockholders' Equity	$ 1,300,979.21
Total Liabilities and Stockholders' Equity	$23,572,999.99

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

AUGUST 31, 1977

Schedule I - Accrued Income

Loan Interest	$ 99,774.92
Interest on FHLMC Participations	15,923.82
Income on Government Agencies	27,158.14
Income on Certificates of Deposit	3,760.82
Income on Bankers Acceptances	3,717.76
FHLB Dividends	6,456.00
	$156,791.46

Schedule II - Prepaid Expenses

Insurance	$ 2,559.43
Federal Insurance Premiums	12,424.62
Supplies	2,700.00
	$ 17,684.05

Schedule III - Deferred Income

Loan Fees	$ 85,886.34
Mobile Home Loan Interest	50,252.14
Home Improvement Loan Interest	11,942.56
FHA Loan Discount	24,426.93
Less Premium on Investments	(2,861.27)
	$169,646.70

Schedule IV - Accrued Accounts Payable

Operating Expenses	$ 8,687.21
Teller Terminals	46,093.30
Traveler Check and Money Order Receipts	15,920.49
Estimated Income Taxes	56,388.78
Deferred Income Taxes	44,550.00
Payroll Taxes	522.30
Mortgage Insurance Premiums	466.50
Collections and Unapplied Funds	106.77
Audit and Examinations	1,500.00
	$174,235.35

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

AUGUST 31, 1977

Income	Month of August	Year to Date
Interest on Real Estate Loans	$148,243.30	$1,019,264.29
Interest on Loans on savings	1,123.54	4,189.68
Income on Investments	18,593.14	99,145.37
FHLB Dividends	807.00	6,456.00
Loan and Commitment Fees	8,265.16	43,324.97
Escrow and Collection Fees	291.30	16,631.51
Appraisal and Credit Fees	972.10	7,454.41
Service Fees	4,329.00	4,329.00
Assumption and Transfer Fees	200.00	200.00
Late Charges	509.31	705.11
Prepayment Fees	1,114.91	1,213.63
Income on Investment Real Estate	100.00	400.00
Income on FHLMC and GNMA Participations	7,158.38	63,575.97
Total Income	$191,707.14	$1,266,889.94
Expenses		
Salaries	$ 10,593.05	$ 89,096.32
Payroll Taxes	1,185.56	6,638.66
Group Insurance	423.95	4,170.58
Other Employee Benefits	1,276.46	4,410.43
Directors Fees	450.00	6,600.00
Auto Expense	210.65	1,436.81
Travel and Entertainment	184.82	912.05
Office Occupancy	1,756.33	13,779.43
Furniture and Equipment Expense	2,895.48	16,187.51
Advertising	2,049.91	9,395.00
Contributions	685.00	8,630.00
Printing and Supplies	4,250.98	7,847.23
Postage	324.70	2,119.72
Telephone	1,650.65	5,120.20
Audit and Examinations	500.00	7,978.05
Legal Fees	-0-	873.58
Data Processing	3,102.28	3,852.28
Federal Insurance Premiums	1,380.51	9,486.83
Fidelity and Casualty Insurance	477.00	3,239.08
Dues	270.50	2,940.37
Loan Expense	348.82	2,112.48
Interest on Mortgage	60.17	561.96
Cash Over and Short	(58.16)	(31.07)
Miscellaneous Expenses	730.59	11,023.62
Total Operating Expenses	$ 34,749.25	$ 218,381.12
Net Before Non-Operating Items	156,957.89	1,048,508.82
Non-Operating Items:		
REO Expenses	2.61	2,724.55
Losses on REO	-0-	2,206.74
Net Before Interest and Taxes	$156,955.28	$1,043,577.53
Interest on Savings	112,669.03	821,020.56
Net Before Taxes	44,286.25	222,556.97
Estimated Income Taxes	12,400.00	56,000.00
Net Income	$ 31,886.25	$ 166,556.97

BELEN SAVINGS AND LOAN ASSOCIATION

SUMMARY OF SPECIFIED ASSETS, NET WORTH AND RESERVE REQUIREMENTS

AUGUST 31, 1977

Specified Assets

Total Assets		$23,572,999.99
Less: Cash	$ (62,278.98)	
Qualifying Investments	4,482,105.92	
Accrued Investment Income	50,560.54	
Prepaid FSLIC Secondary Reserve	42,313.97	
Prepaid FSLIC Premiums	12,424.62	
FHLB Stock	161,400.00	
Loans in Process	246.50	
80% of Guaranteed Loans	425,737.40	
Share Loans	225,332.46	5,337,842.43
Net Specified Assets		18,235,157.56

Adjusted Net Worth

Net Worth	1,300,979.21
Less 20% of Net Scheduled Items	8,578.03
Adjusted Net Worth	1,292,401.18
Adjusted Net Worth as a Percent of Specified Assets	7.09%

FHLB Requirements

(A) Required Federal Insurance Reserve		514,867.46
Actual Federal Insurance Reserve		405,000.00
Net Difference	(1)	(109,867.46)

(B) Required Net Worth:	
3.5% of 5 year Savings Average	514,867.46
20% of Net Scheduled Items	8,578.03
5% of Secured Long Term Debt	900.00
Total Requirement	524,345.49
Actual Net Worth	1,300,979.21
Net Difference	776,633.72

(1) This reserve requirement must be met at year end by a transfer from undivided profits.

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

AUGUST 31, 1977

Owner	Address	Loan Number	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Refinance Loans								
Manuel Bibiano	1015 Dillion Ave., Belen	1893	Single	35,000.00	9.25	10,000.00	100.00	100.00
Stephen Balok	P.O. Box 691, Los Lunas	1896	Single	22,800.00	9.25	17,000.00	170.00	---
Nick Sanchez	Rt. 1, Box 157A, Belen	1902	Single	49,700.00	9.50	27,000.00	270.00	70.00
Marvin Warren	1201 Dillon Ave., Belen	1910	Single	45,000.00	9.50	33,000.00	330.00	130.00
Dale Potts	Rt. 1, Box 1125, Bosque Farms	1889	Single	40,000.00	9.25	31,450.00	314.50	314.50
						$118,450.00	$1,184.50	614.50
Conventional Loans								
John Schule	120 Mustang Dr., Socorro	1890	Single	40,000.00	9.25	32,000.00	320.00	120.00
Carole Yee	518 School of Mines, Socorro	1891	Single	30,800.00	9.50	27,700.00	277.00	77.00
Max Sherrill	612 Gunnison St., Grants	1892	Single	27,500.00	9.25	21,600.00	216.00	16.00
Cleveland Parnell	96 Norma St., Belen	1894	Single	36,000.00	9.25	25,000.00	250.00	250.00
Gene Bustamente	433 Cambridge, Belen	1895	Single	48,900.00	9.25	31,000.00	310.00	110.00
Harry Cook	334 Goddard, Belen	1897	Single	44,800.00	9.25	21,500.00	215.00	215.00
Leslie Papier	303 Star Dr., Belen	1898	Single	45,900.00	9.25	30,000.00	300.00	300.00
Jesse J. Gomez	207 Yokum, Milan	1899	Single	33,000.00	9.25	26,400.00	264.00	64.00
Eugene Rork	119 Stallion Circle, Socorro	1901	Single	47,500.00	9.25	38,000.00	380.00	180.00
Chris Chamis	617 N. 4th St., Belen	1903	Single	34,000.00	9.25	25,000.00	250.00	50.00
Jack Stagner	123 Mustang, Socorro	1904	Single	42,500.00	9.25	33,800.00	338.00	138.00
John Milligan	P.O. Box 1744, Socorro	1905	Single	38,500.00	9.25	30,480.00	304.80	104.80
S. Bowman & A. Colbert	734 Adobe Lane, Los Lunas	1906	Single	19,800.00	9.50	15,600.00	156.00	156.00
Anthony Munoz	Rt. 1, Box 1874, Bosque Farms	1888	Single	26,900.00	9.25	23,500.00	235.00	235.00
Daniel Leach	Box 129, Los Lunas	1877	Single	32,000.00	9.25	28,800.00	288.00	---
George Bogue	311 Clara Lane, Belen	1886	Single	40,000.00	9.25	19,900.00	199.00	199.00
						$430,280.00	$4,302.80	2,214.80
Home Improvement Loans								
George Chavez	RFD 1, Box 185, Belen	191	Home Imp.	60 months	7% Add on	6,000.00		
Robert Fogarty	451 Aquinta Court, Belen	190	Home Imp.	24 months	7% Add on	1,630.00		
						7,630.00		
FHA Loans								
Larry Worthen	824 Clovis, Grants	1026	Single	24,850.00	8.50	23,400.00	234.00	487.00

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

AUGUST 31, 1977

Owner	Address	Interest Rate	Loan Amount	Loan Fees	Expiration Date
Loan Commitments Made					
George W. Hucke	121 Mustang, Socorro	9.25	$34,632.00	$346.32	1-08-78
Larry Meeks	120 Sallion Dr., Socorro	9.50	29,070.00	290.70	11-23-77
Gene Steele	520 Hannah, Socorro	9.25	32,280.00	322.80	11-23-77
Arthur Mathiasen	Lot 19 Calle Del Lago, Socorro	9.25	32,800.00	328.00	1-21-78
			$128,782.00	$1,287.82	

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENT SUMMARY AND SCHEDULED ITEMS

AUGUST 31, 1977

TOTAL DELINQUENCY	No. of Loans 7-30-77	No. of Loans 8-31-77	Net Change	Amount	% of Loans
10 to 30 Days	43	53	+10	$851,891.41	4.70
31 to 60 Days	9	24	+15	328,171.93	1.81
61 to 90 Days	10	9	- 1	150,233.37	.83
Over 90 Days	6	3	- 3	26,690.69	.15
Loans in Foreclosure	1	1	---	16,199.48	.09
	69	90	+21	$1,373,186.88	7.58

Scheduled Items

Loans 90 days or more delinquent	$26,690.69
Loans in Foreclosure	16,199.48
	$42,890.17

Scheduled Item Analysis

(As a percent of Specified Assets)	December 31, 1976 Amount	December 31, 1976 %	August 31, 1977 Amount	August 31, 1977 %
Net Slow Loans	$122,448	.75	$42,890	.23
Net Real Estate Owned	22,276	.14	-0-	---
Net Scheduled Items	$144,724	.89	$42,890	.23

BELEN SAVINGS AND LOAN ASSOCIATION

LIQUIDITY INVESTMENT REPORT

AUGUST 31, 1977

Bankers' Acceptances	Investment	Face Amount	Yield	Due Date
Fort Worth National	$248,979.86	$250,000.00	5.65	09-06-77
Union Bank, L.A.	99,136.67	100,000.00	5.55	09-30-77
New England Merchants	198,578.61	200,000.00	5.99	10-04-77
Republic Bank, N.Y.	247,107.64	250,000.00	5.95	10-27-77
Fidelity Nat'l. Phil. Pa.	252,646.42	259,841.00	5.70	01-16-78
	$1,046,449.20	$1,05 ,841.00		
Government Agencies				
Treasury Bill	197,515.00	200,000.00	4.97	09-01-77
Treasury Bill	194,980.00	200,000.00	5.03	09-08-77
Treasury Bill	195,280.00	200,000.00	4.80	09-22-77
Treasury Note	100,062.50	100,000.00	8.375	09-30-77
Treasury Note	199,890.00	200,000.00	7.25	12-31-77
Federal Land Bank Note	100,000.00	100,000.00	8.70	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$1,382,230.67	$1,400,000.00		
Certificates of Deposit				
Bank of Santa Fe	100,000.00	100,000.00	6.50	07-20-78
Clovis National	140,000.00	140,000.00	6.625	07-22-78
First Nat'l Bank Lea Cnty (Hobbs)	275,000.00	275,000.00	6.625	07-22-78
	$515,000.00	$515,000.00		

Average Return on Investments	Amount	Ave. Rate
Bankers' Acceptances	$1,046,449.20	5.79
Government Agencies	1,382,230.67	6.19
Certificates of Deposit	515,000.00	6.60
All Investments	2,943,679.87	6.12

An amount or word "NONE" should be entered for each item

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

096827 6827
BELEN S & LA
634 BECKER AVENUE
P O BOX 523
BELEN N MEX 87002

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding:		
Construction	001	$ None
Other	002	17,859,214
Real Estate Acquired by Foreclosure or Deed in Lieu:		
Sold on Contract and Loans to Facilitate	003	None
Unsold or in Judgment	004	None
Mortgages, Participations or Mortgage Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,138,532
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	278,771
Cash and Investment Securities:		
Eligible for Liquidity	007	3,416,038
Ineligible for Liquidity	008	None
Other Assets	009	880,445
Total Assets	050	23,573,000
MEMO. Average Daily Balance in Loans of Federal Funds	061	437,667

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning:		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 504,413
In Other Accounts	102	10,891,958
At or Below Regular Rate Paid on Passbook Savings	103	10,041,616
FHLB Advances	104	None
Other Borrowed Money	105	18,000
Loans in Process	106	246
Other Liabilities	107	815,788
Total Net Worth (Including Net Undistributed Income)	108	1,300,979
Total Liabilities and Net Worth	150	23,573,000
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	None

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed:		
Condominiums	201	$ None
Single-Family Dwellings	202	None
2-4 Dwelling Unit Structures	203	None
5 or More Dwelling Unit Structures	204	None
Nonresidential	205	None
Loans Closed for Purchasing:		
Single-Family Homes:		
Newly-Built Homes	206	None
Previously-Occupied Homes	207	453,680
2-4 Dwelling Unit Structures	208	None
5 or More Dwelling Unit Structures	209	None
Nonresidential	210	None
Land Loans Closed	211	None
Refinancing Loans Closed	212	118,450
Loans Closed for All Other Purposes	213	None
Total Loans Closed (220 = 201 through 213)	220	572,130
Loans and Participations Purchased	221	None
Loans and Participations Sold	222	None
Cash Repayment of Principal	223	135,073
Debits Less Credits Other Than Cash Repayment of Principal	224	None
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 – 222 – 223 + 224)	250	437,057
MEMO: Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	None
Non-Cash Portion of Refinancing Loans Reported This Month	262	79,647
Loans and Contracts Delinquent 60 Days or More	263	193,123

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month:		
To Originate Loans	301	$ 128,782
To Purchase Loans from Other Lenders	302	None
All Commitments Outstanding at End of Month:		
To Originate Loans	303	1,039,702
To Purchase Loans from Other Lenders	304	None
Cash Expected to ba Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	233,590
2-3 Months After Reporting Month	306	534,230
4-6 Months After Reporting Month	307	271,882
7-12 Months After Reporting Month	308	None
More Than 12 Months After Reporting Month	309	None

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ None

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ None
New Savings Received	502	1,617,764
Savings Withdrawn	503	1,057,413
Net Change in Savings (550 = 501 + 502 – 503)	550	560,351

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 1,019,264
Interest on Investments	602	99,145
Other Operating Income	603	148,481
Other Non-Operating Income	604	None
Total Income (620 = 601 through 604)	620	1,266,890
Operating Expense	621	217,819
Interest/Dividends on Savings	622	821,021
Interest on Advances and Borrowed Money	623	562
Non-Operating Expense	624	4,931
Federal and State Income Taxes	625	56,000
Total Expense (640 = 621 through 625)	640	1,100,333
Net Income (650 = 620 minus 640)	650	166,557
The following NUMBER of months of income and expense data are included in the above FISCAL-YEAR-TO-DATE figures	661	0
MEMO: Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition	701	

PREPARED BY
W.R. Sanderson

PHONE NO. *(Include area code)*
505-864-4474

MONTH ENDED
August 31, 1977

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICR Coordinator at your District Bank.

FHLBB Form 107
REV JUNE 1975 EFFECTIVE JAN. 1976

MINUTES OF THE MEETING
OF
DIRECTORS OF
BELEN SAVINGS & LOAN ASSOCIATION

August 16, 1977

The meeting of Directors of Belen Savings & Loan Association was held in Belen at 12:30 on August 16, 1977. All Directors were present with the exception of Messrs. Atwood, Coulson and Wells, whose absence was excused. Also present were Messrs. Trump, McNary, Ruland and Boynton. Mr. Ruland was introduced to the Board Members.

The Minutes of the Board of Directors Meeting of June 1977 were read after which a resolution was adopted to approve the minutes as read.

The President presented to the Directors a Statement of Condition, Statement of Operations, Report of Loan Delinquency, Report of Real Estate Owned, Report of Savings Activities and Report of Liquidity Investment for the month and they were approved. A copy of such report is contained in the Exhibits File designated as Board Exhibit "1" to the minutes of this meeting.

The President reported that Regulation Section 526.5(c) has been amended to permit associations to pay a rate of return up to 7.75% annually on accounts with a maturity of not less than three years and such accounts were offered for investment to Individual Retirement Account and Keogh account holders. Following a discussion, it was moved, seconded and unanimously,

> RESOLVED, that the Association be and it is hereby authorized in compliance with Section 526.5(c) of the Regulations to offer IRA and KEOGH Certificate Accounts with no minimum deposit at a rate of return of 7/75% annually when such certificates have a term of not less than three years.

There being no further business to come before the Board the meeting was adjourned.

W L Sandman

ATTEST:

H Diane Sanchez, Asst. Sec. 7

Meeting
8-16-77

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	July 31, 1977
Total Assets	$14,985,067.00	$19,864,912.00	$ 22,795,593.00
Loans Outstanding	12,228,082.00	17,321,459.00	19,119,320.00
Savings Accounts	13,599,402.00	18,177,210.00	20,877,636.00
Mortgage Payable	22,000.00	19,600.00	18,200.00
Cash and Securities	1,249,549.00	2,012,567.00	3,041,793.00
Stockholders' Equity	1,022,063.00	1,157,672.00	1,269,093.00
Stock Outstanding	3,000.00	3,000.00	3,000.00
Stockholders' Equity per share	340.69	385.89	423.03
Net Loan Portfolio Yield	*	8.36	8.71
Cost of Savings	*	6.25	6.26
Net Spread	*	2.11	2.45

* Unknown

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change Before Interest	Interest Added to Accounts	Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914
	July	394,200	---	*	394,200

* Unknown

AGENDA

Board of Directors Meeting August 16, 1977

1. Introduction of Jim Ruland.

2. Ray Sanderson to read the minutes of the July Board Meeting.
   Acceptance of the minutes.

3. Review of the report.

4. Adoption of 3 year term for 7 3/4% Certificate of Deposit on IRA and Keogh accounts.

5. Adjournment.

JOHN BOYNTON

Belen • Socorro • Grants

BELEN SAVINGS

August 11, 1977

Mr. Austin D. Lovett
Box 638
Belen, New Mexico 87002

Dear Mr. Lovett,

Enclosed is your Directors' Report for the month ending July 31, 1977 and year-to-date. Please review the report and advise me if you wish to discuss any of its content prior to the meeting.

The meeting is scheduled for Tuesday, August 16th at the Horizon Country Club and a detailed review of the report will be provided at that time. Lunch will be served at 12:00 noon followed by the Directors' meeting.

Very truly yours,

John L. Boynton

JLB/ds
Encl.

MEMBER FSLIC Federal Savings & Loan Insurance Corp. Your Savings Insured to $40,000

Belen Office • 634 Becker Ave., Belen, NM 87002 • 864-4474
Socorro Office • 210 Plaza, N.W., Socorro, NM 87801 • 835-1569
Grants Office • 222 High St., Grants, NM 87020 • 287-4486

NMFC A Member of New Mexico Financial Corporation

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BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

JULY 31, 1977

Savings by Type of Account

	No. of Accounts	Amount	% of Total	Ave. Acct. Balance	Net for July	Net for Year
5.25% Passbooks	4,246	10,055,850.25	48.17	2,368.31	(215,744.32)	76,287.29
5.75% 3 Mo. Certificate	15	72,675.24	.35	4,845.01	67,675.24	67,675.24
6.0% 1 Yr. Certificate	---	---	---	---	---	(20,000.00)
6.25% 1 Yr. Certificate	1	10,158.75	.05	10,158.75	153.75	158.75
6.5% 1 Yr. Certificate	469	2,869,822.08	13.74	6,119.02	134,313.64	455,847.68
6.6% 1 Yr. Certificate	1	100,000.00	.48	100,000.00	---	---
6.75% 30 Mo. Certificate	147	968,095.88	4.64	6,585.69	68,346.72	104,695.88
7.5% 4 Yr. Certificate	692	4,107,746.40	19.67	5,936.05	312,212.46	1,075,112.46
7.75% 6 Yr. Certificate	414	2,693,287.50	12.90	6,505.52	282,756.12	940,648.69
C D Interest Adjustment	---	---	---	---	(255,518.46)	---
	5,985	20,877,636.10	100.0%	3,488.33	394,200.15	2,700,425.99

Growth by Branch	Total Savings	Net for July	Net for Year
Belen	14,214,768	244,442	1,539,339
Socorro	5,203,497	36,413	723,846
Grants	1,459,371	113,345	437,241
Total	20,877,636	394,200	2,700,426

COST - YIELD OF MONEY

	Ave. Loan Yield	Cost of Savings	Net Spread
12-31-76	8.36	6.25	2.11
6-30-77	8.47	6.21	2.26
7-31-77	8.71	6.26	2.45

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

JULY 31, 1977

Assets

First Mortgage Loans	$17,039,891.51
FHA Loans	409,056.60
Home Improvement Loans	64,573.39
Other Loans and contracts	18,733.48
Federal Home Loan Mortgage Corp. Participations	1,076,172.39
Government National Mortgage Authority by Participations	101,708.44
Total Loans on Real Estate	18,710,135.81
Mobile Home Loans	192,849.55
Loans on Savings Accounts	216,334.71
Accrued Income (Schedule I)	139,112.34
Stock in Federal Home Loan Bank	161,400.00
Cash on hand and in banks	102,838.60
Certificates of Deposit	727,429.52
Bankers Acceptances	355,540.69
Government Agencies	1,480,984.00
Investment in Federal Funds	375,000.00
Office Building and Land (Less $69,565.97 depreciation)	160,303.97
Furniture and equipment (Less $70,931.72 depreciation)	45,182.63
Investment real estate owned	33,065.97
Prepaid FSLIC Secondary Reserve	42,313.97
Savings Drafts Receivable	33,011.49
Prepaid Expenses (Schedule II)	20,089.56
Total Assets	$22,795,592.81

Liabilities

Savings and Certificate Accounts	$20,877,636.10
Accrued Interest on savings	107,194.11
Borrowers' Escrow Accounts	240,615.65
Loans in Process	1,500.00
Mortgage Payable	18,200.00
Deferred Income (Schedule III)	167,854.79
Accrued Accounts Payable (Schedule IV)	113,499.20
Total Liabilities	21,526,499.85

Stockholders' Equity

Capital Stock Outstanding	300,000.00
Paid In Capital Surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	408,092.96
Total Stockholders' Equity	1,269,092.96
Total Liabilities and Stockholders' Equity	$22,795,592.81

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

JULY 31, 1977

Schedule I - Accrued Income

Loan Interest	$ 87,446.71
Interest on FHLMC Participations	23,121.24
Income on Government Agencies	20,078.31
Income on Certificates of Deposit	1,121.00
Income on Bankers' Acceptances	1,696.08
FHLB Dividends	5,649.00
	$139,112.34

Schedule II - Prepaid Expenses

Insurance Premiums	$ 2,909.43
Federal Insurance Premiums	13,805.13
Supplies	3,375.00
	$ 20,089.56

Schedule III - Deferred Income

Loan Fees	$ 83,472.23
Mobile Home Loan Interest	52,341.83
Home Improvement Loan Interest	10,653.90
FHHA Loan Discount	24,426.93
Less Premium on Investments	(3,040.10)
	$167,854.79

Schedule IV - Accrued Accounts Payable

Operating Expenses	$ 5,075.18
Traveler Check and Money Order Receipts	14,605.03
Estimated Income Taxes	43,988.78
Deferred Income Taxes	44,550.00
Payroll Taxes	2,634.27
Unapplied Payments	2,645.94
	$113,499.20

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

JULY 31, 1977

Operating Income	Month of July	1977 Year to Date
Interest on real estate loans	$150,743.77	$871,020.99
Interest on loans on savings	243.37	3,066.14
Income on Investments	10,479.38	80,552.23
F.H.L.B. Dividends	5,649.00	5,649.00
Loan and Commitment Fees	7,834.06	35,059.81
Escrow and Collection fees	1,824.57	16,340.21
Appraisal Fees	688.61	6,482.31
Late Charges	195.80	195.80
Prepayment Fees	98.72	98.72
Income on Investment Real Estate	100.00	300.00
Income on FHLMC Participations	7,986.29	56,417.59
Total Income	185,843.57	1,075,182.80
Operating Expenses		
Salaries	11,604.48	78,503.27
Payroll Taxes	487.90	5,453.10
Group Insurance	624.13	3,746.63
Retirement Plan	447.71	3,133.97
Directors fees	525.00	6,150.00
Auto Expense	123.95	1,226.16
Travel and entertainment	235.08	727.23
Office Occupancy	1,483.02	12,023.10
Furniture and equipment expense	1,369.55	13,292.03
Advertising	1,144.43	7,345.09
Contributions	587.50	7,945.00
Printing and Supplies	685.66	3,596.25
Postage and telephone	491.45	5,264.57
Audit and examinations	1,000.00	7,478.05
Legal fees	---	873.58
Data Processing	750.00	750.00
Federal Insurance Premiums	1,380.51	8,106.32
Fidelity and Casualty Insurance	472.69	2,762.08
Dues	---	2,669.87
Loan expense	348.78	1,763.66
Interest on Mortgage	121.68	501.79
Cash Over and Short	15.40	27.09
Miscellaneous	1,310.14	10,293.03
Total Operating Expenses	25,209.06	183,631.87
Net before non-operating items	160,634.51	891,550.93
Non-Operating items:		
REO Expenses	11.95	2,721.94
Losses on REO	---	2,206.74
Net before interest and taxes	160,622.56	886,622.25
Interest on savings	107,946.29	708,351.53
Net before taxes	52,676.27	178,270.72
Estimated income taxes	13,200.00	43,600.00
Net Income	$ 39,476.27	$134,670.72

BELEN SAVINGS AND LOAN ASSOCIATION

SUMMARY OF SPECIFIED ASSETS, NET WORTH AND RESERVE REQUIREMENTS

JULY 31,1977

Specified Assets

Total Assets			$22,795,592.81
Less: Cash		$ 102,838.60	
Qualifying Investments		2,938,954.21	
Accrued Investment Income		22,895.39	
Prepaid FSLIC		42,313.97	
Prepaid FSLIC Premiums		13,805.13	
FHLB Stock		161,400.00	
Loans in Process		1,500.00	
80% of FHA Loans		327,245.28	
Share Loans		216,334.71	3,824,287.29
Net Specified Assets			18,971,305.52

Adjusted Net Worth

Net Worth		1,269,092.96
Less 20% of Net Scheduled Items		27,941.08
Adjusted Net Worth		1,241,151.88
Adjusted Net Worth as a percent of specified assets		6.54%

FHLB Requirements

(A) Required Federal Insurance Reserve		510,945.01
Actual Federal Insurance Reserve		405,000.00
Net Difference	(1)	(105,945.01)
(B) Required Net Worth:		
3.5% of 5 year savings average		510,945.01
20% of Net Scheduled Items		27,941.08
5% of Secured Long Term Debt		910.00
Total Requirement		539,796.09
Actual Net Worth		1,269,092.96
Net Difference		729,296.87

(1) Based on 1977 Year end requirements

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

JULY 31, 1977

CONVENTIONAL LOANS

Borrower	Address	Loan No.	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Robert T. Newell	Lot 22 Calle del Lago, Socorro	1874	Single Family	$41,000	9.250	$31,575.00	$315.75	$130.75
David Bollschweiler	124 Stallion Cir., Socorro	1875	Single Family	30,500	9.250	26,775.00	457.75	77.75
Leon Othart	Route 1, Box 889, Los Lunas	1876	Single Family	56,000	9.250	42,000.00	620.00	420.00
Floyd O. Rieck	212 E. Santa Fe, Grants	1877	Single Family	45,000	9.250	39,200.00	592.00	192.00
Eugene Binford	Chapparal Rd., Socorro	1878	Single Family	25,000	9.250	15,000.00	300.00	
Leroy Doran	N½ Tr. 36-B, Map 90	1879	Single Family	58,000	9.250	46,400.00	664.00	264.00
Wm. F. DelGiudice	609 Neal Ave., Socorro	1880	Single Family	34,000	9.250	27,800.00	478.00	78.00
Gary C. Tolbert	Tr. 13-c-1, Bosque Farms	1881	Single Family	58,000	9.250	33,500.00	535.00	116.60
Billy Fenley	648 E. Stephens, Grants	1882	Single Family	17,500	9.250	14,000.00	280.00	
Andrew Sanchez	1107 Esperanza Dr., Belen	1883	Single Family	32,000	9.250	25,000.00	450.00	50.00
Guy Donaurama	113 Mustang Dr., Socorro	1884	Single Family	67,500	9.250	40,000.00	600.00	200.00
Alex J. Marquez	309 Pintada, Milan	1885	Single Family	35,500	9.250	28,000.00	480.00	80.00
						369,250.00	5,772.50	1,609.10

Loan Commitments Made	Address	Interest Rate	Loan Amount	Loan Fee	Expiration Date
Bobby J. Young	Valle St., Grants	9.250	25,000.00	250.00	12-08-77
Dennis Siebolds	1234 Calle Del Lago, Socorro	9.250	35,000.00		12-12-77
Wm. J. Couperthwaite	1623 Blanda Court, Belen	9.250	50,000.00	500.00	12-06-77
James Ulrickson	Lot 11, Block 3 Los Lunas Acres	9.250	33,700.00	337.00	12-22-77
Samuel T. Lambert	84 Olson Ave., Belen	9.250	23,900.00		12-28-77
			167,600.00	1,087.00	

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENCY SUMMARY AND SCHEDULED ITEMS

JULY 31, 1977

TOTAL DELINQUENCY	No. of Loans 6-30-77	7-31-77	Net Change	Amount	% of Loans
10 to 30 days	42	43	+ 1	802,222.39	4.60
31 to 60 days	20	9	-11	138,955.14	.80
61 to 90 days	5	10	+ 5	134,750.14	.77
Over 90 days	9	6	- 3	96,714.31	.55
Loans in foreclosure	1	1	---	16,199.46	.09
	77	69	- 8	1,188,841.44	6.81

SCHEDULED ITEMS

Loans less than one year old and 60 days delinquent	-0-
Loans 90 days or more delinquent	96,714.49
Loans in foreclosure	16,199.46
Loans to facilitate	26,791.44
	$ 139,705.39

SCHEDULED ITEM ANALYSIS
(As a percent of Specified Assets)

	December 31, 1976 Amount	%	July 31, 1977 Amount	%
Net slow loans	$122,448	.75	$112,914	.59
Net real estate owned	22,276	.14	-0-	---
Loan quality index	144,724	.89	112,914	.59
Net loans to facilitate	7,919	.05	26,791	.14
Net Scheduled Items	$152,643	.94	139,705	.73

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	'76 Monthly Average	'77 Monthly Average (Jan.-May)	1977 June	1977 July
Interest on Loans	$99,089.86	$120,516.67	$140,528.60	$150,987.14
Income on Investments	10,727.03	11,678.81	11,280.21	16,128.38
Loan Origination Fees	4,909.10	4,537.63	5,810.40	7,834.06
Other Fees and Charges	2,703.92	3,384.89	9,051.05	2,807.70
Other Income	4,515.71	8,071.88	7,840.78	8,086.29
	$121,945.62	$148,189.88	$174,511.04	$185,843.57
Expenses				
Salaries & Employees Expense	11,429.36	12,945.46	13,195.94	13,164.22
Directors' Fees	887.50	937.50	675.00	525.00
Travel & Entertainmant	232.63	265.73	245.14	238.08
Office Occupancy	1,789.57	1,756.68	4,663.48	1,483.02
Furniture & Equipment	1,554.23	1,987.08	7,212.62	1,369.55
Advertising	1,081.65	1,033.44	1,341.19	1,444.43
Audit & Examination	1,173.58	1,079.68	2,451.80	1,000.00
Legal Fees	(2.73)	145.60	-	-
Federal Insurance	969.16	1,120.07	1,380.51	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39	4,919.20
Estimated Income Tax	3,795.83	5,066.67	30,400.00	13,200.00
	26,872.60	32,289.04	70,808.07	38,421.01
Net before Interest	95,073.02	115,900.84	103,702.97	147,422.56
Interest on Savings	81,691.98	100,067.54	105,475.65	107,946.29
Net Income (Loss)	$13,381.04	$ 15,833.30	$ (1,772.68)	$ 39,476.27

BELEN SAVINGS AND LOAN ASSOCIATION

LIQUIDITY INVESTMENT REPORT

JULY 31, 1977

BANKERS' ACCEPTANCES	INVESTMENT	PAR VALUE	YIELD	DATE DUE
Morgan Trust	$102,894.27	$104,282.44	4.86	08-05-77
Fidelity National	252,646.42	259,841.13	5.70	01-16-78
	$355,540.69	364,123.57		

GOVERNMENT AGENCIES				
Treasury Bill	98,753.33	100,000.00	4.35	08-11-77
Treasury Bill	197,515.00	200,000.00	4.97	09-01-77
Treasury Bill	194,980.00	200,000.00	5.03	09-08-77
Treasury Bill	195,280.00	200,000.00	4.80	09-22-77
Treasury Note	100,062.50	100,000.00	8.375	09-30-77
Treasury Note	199,890.00	200,000.00	7.25	12-31-77
Federal Land Bank	100,000.00	100,000.00	8.70	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$1,480,984.00	1,500,000.00		

CERTIFICATES OF DEPOSIT				
Bank of Santa Fe	100,000.00	100,000.00	6.50	07-20-78
Clovis National Bank	140,000.00	140,000.00	6.625	07-22-78
First Natl. Bank Lea Cty. (Hobbs)	275,000.00	275,000.00	6.625	07-22-78
Bank of Tokyo Trust New York	212,429.52	200,000.00	5.60	08-22-77
	$727,429.52	715,000.00		

AVERAGE RETURN ON INVESTMENTS	AMOUNT	AVERAGE RATE
Bankers' Acceptances	355,540.69	5.46
Government Agencies	1,480,984.00	6.07
Certificates of Deposit	727,429.52	6.21
All Investments	2,563,954.21	6.02

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

N BELEN S & LA
634 BECKER AVENUE
C P O BOX 523
BELEN N MEX 87002

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding:		
Construction	001	$ None
Other	002	17,422,157
Real Estate Acquired by Foreclosure or Deed in Lieu:		
Sold on Contract and Loans to Facilitate	003	26,791
Unsold or in Judgment	004	None
Mortgages, Participations or Mortgage-Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,177,881
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	276,156
Cash and Investment Securities:		
Eligible for Liquidity	007	3,064,688
Ineligible for Liquidity	008	None
Other Assets	009	827,920
Total Assets	050	22,795,593
MEMO: Average Daily Balance in Loans of Federal Funds	061	220,000

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning:		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 504,413
In Other Accounts	102	10,317,373
At or Below Regular Rate Paid on Passbook Savings	103	10,055,850
FHLB Advances	104	None
Other Borrowed Money	105	18,200
Loans in Process	106	1,500
Other Liabilities	107	629,164
Total Net Worth (Including Net Undistributed Income)	109	1,269,093
Total Liabilities and Net Worth	150	22,795,593
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	None

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed.		
Condominiums	201	$ None
Single-Family Dwellings	202	None
2-4 Dwelling Unit Structures	203	None
5 or More Dwelling Unit Structures	204	None
Nonresidential	205	None
Loans Closed for Purchasing:		
Single-Family Homes:		
Newly-Built Homes	206	None
Previously-Occupied Homes	207	369,250
2-4 Dwelling Unit Structures	208	None
5 or More Dwelling Unit Structures	209	None
Nonresidential	210	None
Land Loans Closed	211	None
Refinancing Loans Closed	212	None
Loans Closed for All Other Purposes	213	None
Total Loans Closed (220 = 201 through 213)	220	369,250
Loans and Participations Purchased	221	None
Loans and Participations Sold	222	None
Cash Repayment of Principal	223	183,864
Debits Less Credits Other Than Cash Repayment of Principal	224	None
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 – 222 – 223 + 224)	250	185,386
MEMO: Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	None
Non-Cash Portion of Refinancing Loans Reported This Month	262	None
Loans and Contracts Delinquent 60 Days or More	263	247,664

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month:		
To Originate Loans	301	$ 167,600
To Purchase Loans from Other Lenders	302	None
All Commitments Outstanding at End of Month:		
To Originate Loans	303	1,356,800
To Purchase Loans from Other Lenders	304	None
Cash Expected to be Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	445,850
2-3 Months After Reporting Month	306	726,830
4-6 Months After Reporting Month	307	204,450
7-12 Months After Reporting Month	308	None
More Than 12 Months After Reporting Month	309	None

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ None

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ None
New Savings Received	502	844,776
Savings Withdrawn	503	450,576
Net Change in Savings (550 = 501 + 502 – 503)	550	394,200

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 874,087
Interest on Investments	602	86,201
Other Operating Income	603	114,895
Other Non-Operating Income	604	None
Total Income (620 = 601 through 604)	620	1,075,183
Operating Expense	621	183,632
Interest/Dividends on Savings	622	708,351
Interest on Advances and Borrowed Money	623	None
Non-Operating Expense	624	4,929
Federal and State Income Taxes	625	43,600
Total Expense (640 = 621 through 625)	640	940,512
Net Income (650 = 620 minus 640)	650	134,671

The following NUMBER of months of income and expense data are included in the above FISCAL-YEAR-TO-DATE figures: 661 = 07

MEMO: Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition: 701 =

PREPARED BY
W.R. Sanderson

PHONE NO. *(Include area code)*
(505) 864-4474

MONTH ENDED
7-31-77

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICR Coordinator at your District Bank.

FHLBB Form 107
REV. JUNE 1975 EFFECTIVE JAN. 1976

Belen • Socorro • Grants

BELEN SAVINGS

July 13, 1977

June 30, 1977
$22,215,768
18,486,352
20,483,436
18,400
2,735,757
1,229,617
3,000
409.87
8.47
6.21
2.26

Mr. Austin D. Lovett,
Box 638,
Belen, N.M. 87002

Dear Mr. Lovett:

Enclosed is your Director's Report for the month ending June 30, 1977.

You will notice that there have been several new schedules added to the report, which I believe will be of interest to you. Please review the report and advise me if you wish to discuss any of its content prior to the meeting.

The meeting is scheduled for 3:00 P.M. Monday, July 18th, at the Belen Savings board room, and a detailed review of the report will be provided at that time.

Very truly yours,

John L. Boynton

jlb fb
Encl.

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	June 30, 1977
Total Assets	$14,985,067	$19,864,912	$22,215,768
Loans Outstanding	12,228,082	17,321,459	18,486,352
Savings Accounts	13,599,402	18,177,210	20,483,436
Mortgage Payable	22,000	19,600	18,400
Cash and Securities	1,249,549	2,012,567	2,735,757
Stockholders' Equity	1,022,063	1,157,672	1,229,617
Stock Outstanding	3,000	3,000	3,000
Stockholders' Equity per share	340.69	385.89	409.87
Net loan portfolio yield	*	8.36	8.47
Cost of Savings	*	6.25	6.21
Net Spread	*	2.11	2.26

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

June 30, 1977

ASSETS

First Mortgage loans	$ 16,763,849.39
FHA Loans	409,460.36
Other Installment loans	19,130.81
Real Estate Contract	27,108.88
Home Improvement Loans	67,575.34
Federal Home Loan Mortgage Corp.	1,097,518.98
Government National Mortgage Authority	101,708.44
Total Loans on Real Estate	$ 18,486,352.20
Mobile Home loans	200,615.99
Loans on Savings Accounts	208,256.98
Stock in Federal Home Loan Bank	161,400.00
Cash on hand and in Banks	69,537.10
Government Agencies	1,679,199.56
Bankers' Acceptances	287,020.54
Other Investments	700,000.00
Office Buildings and Land (less $65,063.52 depreciation)	160,947.18
Furniture and Equipment (less $62,893.64 depreciation)	43,977.07
Investment real estate (less $ 2,268.91 depreciation)	33,065.97
Prepaid FSLIC Secondary Reserve	42,313.97
Prepaid insurance	3,377.37
Prepaid Federal insurance premium	15,185.64
Accrued interest on loans	65,149.76
Accrued interest on investments	59,368.66
Total Assets	$ 22,215,767.99

LIABILITIES

Savings and certificate accounts	$ 20,483,435.95
Escrow funds held for borrowers	224,940.42
Loans in process	1,500.00
Mortgage payable on office building	18,400.00
Deferred income - Schedule I	174,823.01
Accrued accounts payable - Schedule II	83,052.01
Total Liabilities	$ 20,986,151.39

STOCKHOLDERS' EQUITY

Capital stock issued and outstanding	$ 300,000.00
Paid in Capital surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	368,616.60
Total stockholders' equity	$ 1,229,616.60
Total Liabilities and Stockholders' Equity	$ 22,215,767.99

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

June 30, 1977

SCHEDULE I - DEFERRED INCOME

Loan fees	$ 82,400.19
Home improvement loan interest	14,345.47
Mobile home loan interest	53,650.42
Discount on FHA loans	24,426.93
	$174,823.01

SCHEDULE II - ACCRUED ACCOUNTS PAYABLE

Operating expenses	7,713.23
Income taxes	75,338.78
	$83,052.01

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

June 30, 1977

OPERATING INCOME	Month of June	1977 Year to Date
Interest on real estate loans	$140,328.64	$720,277.22
Interest on loans on savings	199.96	2,822.77
Income on investments	11,280.21	70,072.85
Loan fees earned	5,810.40	27,225.75
Appraisal fees	303.70	5,793.70
Other fees	8,747.35	14,515.64
Income from Investment real estate	-	200.00
Other operating income	7,840.78	48,431.30
	$174,511.04	$889,339.23
OPERATING EXPENSES		
Salaries	11,122.39	66,898.79
Payroll taxes	1,068.98	4,965.20
Group insurance	556.86	3,122.50
Retirement plan	447.71	2,686.26
Directors fees	675.00	5,625.00
Auto expense	119.31	1,102.21
Travel and entertainment	125.83	492.15
Office occupancy	4,663.48	10,540.08
Furniture and equipment	7,212.62	11,922.48
Advertising	1,341.19	6,200.66
Donations	4,010.00	7,357.50
Printing and supplies	448.47	2,910.59
Postage and telephone	1,109.29	4,773.12
Audit and examinations	2,451.80	6,478.05
Legal fees	0	873.58
Federal insurance premiums	1,380.51	6,725.81
Fidelity and casualty insurance	467.94	2,289.39
Dues and subscriptions	0	2,669.87
Loan expense	624.10	1,414.88
Interest on mortgage	0	380.11
Cash over and short	(8.00)	11.69
Miscellaneous expense	2,590.59	8,982.89
	40,408.07	158,422.81
Net before non-operating items	134,102.97	730,916.42
Non-operating items:		
REO expenses	0	2,709.99
Loss on foreclosed REO	0	2,206.74
	0	4,916.73
Net before interest and taxes	134,102.97	725,999.69
Interest on Savings	105,475.65	600,405.24
Net before taxes	28,627.32	125,594.45
Estimated taxes	30,400.00	30,400.00
Net income (loss)	(1,772.68)	95,194.45

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change before Interest	Interest Added to Accounts	Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976					
	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977					
	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914

* Unknown

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

June 30, 1977

SAVINGS BY TYPE OF ACCOUNT	No. of Accounts	Amount	% of Total	Average Acct. Balance	Net for June	Net for Year
C.D. Interest credited	*	255,518.46	1.25	*	255,518.46	255,518.46
5.25% Passbook	4226	10,271,594.57	50.15	2,430.57	71,054.50	292,031.61
5.75% 1 yr. cert.	1	5,000.00	.02	5,000.00	-	-
6.00% 1 yr. cert.	-	-	-	-	-	(20,000.00)
6.25% 1 yr. cert.	1	10,000.00	.05	10,000.00	-	-
6.50% 1 yr. cert.	*	2,735,508.44	13.35	*	(36,215.31)	321,534.04
6.60% 1 yr. cert.	1	100,000.00	.49	100,000.00	-	-
6.75% 30 mo. cert.	*	899,749.16	4.39	*	(20,000.00)	36,349.16
7.50% 4 yr. cert.	*	3,795,533.94	18.53	*	121,500.00	762,900.00
7.75% 6 yr. cert.	*	2,410,531.38	11.77	*	175,056.37	657,892.57
	5867	$20,483,435.95	100.00	3,491.30	$566,914.02	$2,306,225.84

GROWTH BY BRANCH	Total Savings	Net for June	Net for Year
Belen	13,970,326	267,909	1,294,897
Socorro	5,167,084	235,526	687,433
Grants	1,346,026	63,479	323,896
Total	$20,483,436	$566,914	$2,306,226

COST-YIELD OF MONEY

	Average Loan Yield	Cost of Savings	Net Spread
12-31-76	8.36	6.25	2.11
6-30-77	8.47	6.21	2.26

* Unknown

Belen Savings And Loan Association

Summary of Specified Assets, Net Worth and Reserve Requirements

June 30, 1977

Specified Assets			
Total Assets			$22,215,767.99
Less Cash	$ 69,537.10		
Qualifying Investments	2,666,220.10		
Accrued Investment Income	43,994.80		
Prepaid FSLIC	42,313.97		
Prepaid FSLIC Premiums	15,185.64		
FHLB Stock	161,400.00		
Loans In Process	1,500.00		
80% of FHA Loans	327,568.29		
Share Loans	208,256.98		3,535,976.88
Net Specified Assets			18,679,791.11
Adjusted Net Worth			
Net Worth			1,229,616.60
Less 20% Of Net Scheduled Items			36,396.00
Adjusted Net Worth			1,193,220.60
Adjusted Net Worth As A Percent of Specified Assets			6.39%
FHLB Requirements			
(A) Required Federal Insurance Reserve			513,206.93
Actual Federal Insurance Reserve			405,000.00
Net Difference		(1)	(108,206.93)
(B) Required Net Worth			
3.5% of 5 Year Savings Average			513,206.93
20% of Net Scheduled Items			36,396.00
5% of Secured Long Term Debt			920.00
Total Requirement			550,522.93
Actual Net Worth			1,229,616.60
Net Difference			679,093.67

(1) This is Based on 1977 Year-End Adjustments.

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENCY SUMMARY AND SCHEDULED ITEMS

June 30, 1977

TOTAL DELINQUENCY	No. of Loans 5-31-77	No. of Loans 6-30-77	6-30-77 AMOUNT	% of Loans
10 to 30 days	*	42	$717,092.46	3.88%
31 to 60 days	*	20	260,566.83	1.41%
61 to 90 days	*	5	34,233.46	.18
Over 90 days	12	9	138,640.53	.75
Loans in foreclosure	-	1	16,199.48	.09
	*	77	$ 1,166,732.76	6.31%

SCHEDULED ITEMS

Loans less than one year old and 60 days delinquent	0
Loans 90 days or more delinquent	138,640.53
Loans in foreclosure	16,199.48
Real Estate Owned	0
	$154,840.01

SCHEDULED ITEM ANALYSIS
(As a percent of Specified Assets)

	December 31, 1976		June 30, 1977	
	Amount	%	Amount	%
Net slow loans	$122,448	.75	$154,840	.01
Net real estate owned	22,276	.14	0	0
Loan quality index	144,724	.89	$154,840	.01
Net loans to facilitate	7,919	.05	27,140	-
Net Scheduled items	$152,643	.94	$181,980	.01

* Unknown

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

June 30, 1977

CONVENTIONAL LOANS

Borrower	Address	Loan No.	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Joe I. Peralta	Tr. 16-D, Bosque Farms	1857	Single Family	$73,600	8,750	$28,000	$230.00	—
Charles K. Casey	Lot 2, Bl. 2, La Ponderosa Farms	1858	Single Family	50,000	9,250	45,000	900.00	435.00
Cecil D. Stockton	Part of Tr. 3-B, Map 98	1859	2-4 Family	84,500	9.250	38,000	170.00	—
John E. Stevendon	1009 Castillo	1860	Single Family	26,200	9.250	15,500	220.00	65.00
Donald E. Laughlin	608 Western NW, Socorro	1861	Single Family	36,400	9,250	29,300	586.00	208.00
Odelio A. Otero	Pt. Tr. 46-b-2-a, 46b2b, Map 78	1862	Single Family	26,200	9,250	16,560	320.00	104.40
Martin L. Burris	Lot 91, Bosque del Rio Sub.	1863	Single Family	42,500	9.250	34,000	680.00	250.00
Richard J. Saccany	832 Jefferson, Grants	1864	Single Family	42,000	9.250	33,600	672.00	256.00
Arpad E. Torma	122 Mustang, Socorro	1865	Single Family	36,150	9.250	29,680	593.60	196.80
J. E. Steve Vigil	632 Washington, Grants	1866	Single Family	26,600	9.250	21,000	420.00	203.00
Toby Jaramillo	400 Iron St., Grants	1867	Single Family	30,000	9.250	24,400	488.00	159.00
David Sharp, Jr.	1013 Santa Anita Dr.	1868	Single Family	35,000	9.250	25,800	500.00	57.00
Nich Sanchez	Lot 23, Bl. 18, Milan Townsite	1869	Single Family	19,000	9.250	12,500	240.00	-
Larry D. Long	110 Davis, Grants	1870	Single Family	20,000	9.250	13,500	260.00	-
Dorothy Raether	603 N. 3rd St.	1871	Single Family	19,500	9.250	12,000	240.00	-
William J. Stone	701 Mesa Place, Socorro	1872	Single Family	50,000	9.250	40,000	800.00	210.00
Dennis Dominguez	Lot 1, Bl. 9, Valencia Sub,Milan	1873	Single Family	56,300	9.250	45,000	900.00	265.00
						463,840	8,219.60	2,409.20

Belen Savings and Loan Association

Liquidity Investment Report

June 30, 1977

Bankers' Acceptances	Investment	Par Value	Yield	Date Due
Banker's Trust	$ 184,126.27	188,873.28	5.41	07-27-77
Morgan Trust	102,894.27	104,282.44	4.86	08-05-77
	287,020.54	293,155.72		
Government Agencies				
Treasury Bill	$ 198,215.56	200,000.00	4.25	07-14-77
Treasury Bill	98,753.33	100,000.00	4.35	08-11-77
Treasury Bill	197,515.00	200,000.00	4.97	09-01-77
Treasury Bill	194,980.00	200,000.00	5.03	09-08-77
Treasury Bill	195,280.00	200,000.00	4.80	09-22-77
Treasury Note	100,062.50	100,000.00	8.375	09-30-77
Treasury Note	199,890.00	200,000.00	7.25	12-31-77
Federal Land Bank	100,000.00	100,000.00	8.7	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$1,679,199.56	1,700,000.00		
Other Investmenst				
Federal Funds	$ 100,000.00	100,000.00	5.25	07-01-77
FHLB Daily Interest Account	600,000.00	600,000.00	5.10	07-01-77
	700,000.00	700,000.00		

Average Return on Investments		
Banker's Acceptances	$ 293,155.72	5.21
Government Agencies	1,700,000.00	8.84
All Investments	2,666,220.10	5.62

Belen Savings and Loan Association

Operating Statistics

Income	76 Monthly Average	77 Monthly Average	1977 June
Interest on Loans	$99,089.86	120,516.67	140,528.60
Income on Investments	10,727.03	11,678.81	11,280.21
Loan Origination Fees	4,909.10	4,537.63	5,810.40
Other Fees and Charges	2,703.92	3,384.89	9,051.05
Other Income	4,515.71	8,071.88	7,840.78
	121,945.62	148,189.88	174,511.04
Expenses			
Salaries & Employees Expense	11,429.36	12,945.46	13,195.94
Directors' Fees	887.50	937.50	675.00
Travel & Entertainment	232.63	265.73	245.14
Office Occupancy	1,789.57	1,756.68	4,663.48
Furniture & Equipment	1,554.23	1,987.08	7,212.62
Advertising	1,081.65	1,033.44	1,341.19
Audit & Examination	1,173.58	1,079.68	2,451.80
Legal Fees	(2.73)	145.60	-
Federal Insurance	969.16	1,120.07	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39
Estimated Income Tax	3,795.83	5,066.67	30,400.00
	26,872.60	32,289.04	70,808.07
Net Before Interest	95,073.02	115,900.84	103,702.97
Interest On Savings	81,691.98	100,067.54	105,475.65
Net Income (Loss)	$13,381.04	15,833.30	(1,772.68)

An amount or word "NONE" should be entered for each item.

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

[illegible] ASSOCIATION
SELL[illegible] & LA
334 [illegible]ER AVENUE
P O [illegible]A 523
SELL[illegible]N TEX 87002

6621

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding.		
Construction	001	$ 0
Other	002	17,236,453
Real Estate Acquired by Foreclosure or Deed in Lieu.		
Sold on Contract and Loans to Facilitate	003	27,109
Unsold or in Judgment	004	0
Mortgages, Participations or Mortgage-Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,199,227
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	287,322
Cash and Investment Securities:		
Eligible for Liquidity	007	2,794,148
Ineligible for Liquidity	008	0
Other Assets	009	1,428,130
Total Assets	050	22,972,389
MEMO Average Daily Balance in Loans of Federal Funds	061	22,500

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning.		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 500,000
In Other Accounts	102	9,711,841
At or Below Regular Rate Paid on Passbook Savings	103	10,271,595
FHLB Advances	104	0
Other Borrowed Money	105	18,400
Loans in Process	106	1,500
Other Liabilities	107	1,326,381
Total Net Worth (Including Net Undistributed Income)	108	1,142,672
Total Liabilities and Net Worth	150	22,972,389
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	0

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed.		
Condominiums	201	$ 0
Single-Family Dwellings	202	0
2-4 Dwelling Unit Structures	203	0
5 or More Dwelling Unit Structures	204	0
Nonresidential	205	0
Loans Closed for Purchasing Single-Family Homes		
Newly-Built Homes	206	148,680
Previously-Occupied Homes	207	12,000
2-4 Dwelling Unit Structures	208	0
5 or More Dwelling Unit Structures	209	0
Nonresidential	210	0
Land Loans Closed	211	0
Refinancing Loans Closed	212	287,660
Loans Closed for All Other Purposes	213	15,500
Total Loans Closed (220 = 201 through 213)	220	463,840
Loans and Participations Purchased	221	0
Loans and Participations Sold	222	0
Cash Repayment of Principal	223	186,356
Debits Less Credits Other Than Cash Repayment of Principal	224	(45,742)
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 - 222 - 223 + 224)	250	231,742
MEMO. Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	0
Non Cash Portion of Refinancing Loans Reported This Month	262	45,998
Loans and Contracts Delinquent 60 Days or More	263	198,973

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month.		
To Originate Loans	301	$ 453,847
To Purchase Loans from Other Lenders	302	0
All Commitments Outstanding at End of Month:		
To Originate Loans	303	1,558,450
To Purchase Loans from Other Lenders	304	0
Cash Expected to be Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	578,395
2-3 Months After Reporting Month	306	878,055
4-6 Months After Reporting Month	307	102,000
7-12 Months After Reporting Month	308	0
More Than 12 Months After Reporting Month	309	0

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ 0

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ 133,522
New Savings Received	502	1,279,537
Savings Withdrawn	503	846,235
Net Change in Savings (550 = 501 + 502 -- 503)	550	566,824

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 732,775
Interest on Investments	602	69,095
Other Operating Income	603	84,483
Other Non-Operating Income	604	0
Total Income (620 = 601 through 604)	620	886,353
Operating Expense	621	158,759
Interest/Dividends on Savings	622	600,405
Interest on Advances and Borrowed Money	623	441
Non-Operating Expense	624	0
Federal and State Income Taxes	625	0
Total Expense (640 = 621 through 625)	640	759,605
Net Income (650 = 620 minus 640)	650	126,748

The following NUMBER of months of income and expense data are included in the above FISCAL YEAR TO DATE figures: 661 = 06

MEMO Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition: 701

PREPARED BY
W. R. Sanderson

PHONE NO (Include area code)
(505) 864 4474

MONTH ENDED
6-30-77

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICP Coordinator at your District Bank.

A meeting of the Board of Directors of the Belen Savings and Loan Association was held at 3:00 P.M. on June 14, 1977.

All of the members were present, except Dr. Eugene L. Coulson and Marybel F. Seery.

The minutes of the meeting held on May 10th, 1977 were read. On motion of Austin Lovett, seconded by Dr. J. A. Rivas, the minutes were approved as read.

The monthly report to the Board of Directors was presented for consideration.

The minutes of the meetings of the loan committee held on May 11th and May 27th, 1977 were presented to the Board. On motion of Dr. J. A. Rivas, seconded by Edward M. Wells, the minutes were approved and made a part of this meeting.

There were 12 classified loans as of May 31, 1977: Wright Elliott, Delbert Deerman, Frank Esquibel, Manuel A. Gallegos, Lawrence Yellowitz, Wayne Gustin, Frank Herrera, Tommy Reed, Ronald Crosby, Adan Trujillo, Russell Whitney and John Gabaldon.

On motion of Pilar Sachs, seconded by Austin D. Lovett, a dividend of $5.00 per share to shareholders of record on June 14th, 1977 was authorized.

On motion of Elmer W. Atwood, seconded by Pilar Sachs, the Mutual Assistance Operating Agreement between Belen Savings and Loan Association and New Mexico Financial Corporation was approved.

On motion of Dr. J. A. Rivas, seconded by Emily P. Sedillo, the purchase of five teller terminals at a cost of $57,501.00, plus freight etc. was approved.

On motion of Dr. J. A. Rivas, seconded by Elmer W. Atwood, the payment of $4820.35 to Dils Construction Company for improvements to the Main Office was approved.

There being no further business, the meeting adjourned.

Secretary

President

Meeting
12-20-77

PROPOSED
AGENDA

DIRECTORS MEETING

BELEN SAVINGS AND LOAN ASSOCIATION

December 20, 1977

1. Approval of November minutes and waive the reading thereof.

2. Review of the report.

3. Employee and officer raises.

26% = 37½ @ $4.60 per hr. per mo.
Cost of Living 5 3/4 to 6 %

4. Declaration of 2nd annual dividend. Agenda on 1-4-78
$5.00 div as of 12-16-77

5. Old or New Business.

6. Adjourn.

BELEN SAVINGS AND LOAN ASSOCIATION

FINANCIAL HIGHLIGHTS

	December 31, 1975	December 31, 1976	November 30, 1977
Total Assets	$14,985,067	$19,864,912	$24,562,701
Loans Outstanding	12,228,082	17,321,459	19,840,604
Savings Accounts	13,599,402	18,177,210	22,422,283
Mortgage Payable	22,000	19,600	17,200
Cash and Securities	1,249,549	2,012,567	3,596,504
Stockholder's Equity	1,022,063	1,157,672	1,361,780
Stock Outstanding	3,000 Sh.	3,000 Sh.	3,000 Sh.
Stockholder's Equity Per Share	$ 340.69	$ 385.89	$ 453.93

Net Loan Portfolio Yield	8.36%	8.77
Cost of Savings	6.25	6.35
Net Spread	2.11	2.42

BELEN SAVINGS
AND LOAN ASSOCIATION

Belen • Socorro • Grants

December 12, 1977

Mr. Austin D. Lovett
P. O. Box 638
Belen, New Mexico 87002

Dear Mr. Lovett:

Enclosed is your Directors' Report for the month ending November 31, 1977 and year-to-date. Please review the report and advise me if you wish to discuss any of its content prior to the meeting.

The meeting is scheduled for Tuesday December 20th, at the Horizon Country Club and a detailed review of the report wll be provided at that time. Lunch will be served at 12:00 noon followed by the Directors' Meeting.

Very truly yours,

John L. Boynton

JLB:ps
Encl.

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BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS GROWTH

		Gross Savings Change Before Interest	Quarterly Interest Credited	Quarterly Interest Checks Withdrawn	Net Monthly Growth
1974	Net Increase	$ 607,050.38	$359,805.64	*	$ 966,856.02 (Annual)
1975	Net Increase	2,189,215.91	424,948.15	*	2,614,164.06 (Annual)
1976	January	307,316	221	*	307,537
	February	393,187	326	*	393,513
	March	464,615	106,321	*	570,936
	April	362,169	269	*	362,438
	May	185,853	510	*	186,363
	June	346,176	111,979	*	458,155
	July	151,083	102	*	151,185
	August	482,577	621	*	483,198
	September	506,317	119,060	*	625,377
	October	384,611	138	*	384,749
	November	227,888	632	*	228,520
	December	297,518	128,319	*	425,837
					$4,577,808 (Annual)
1977	January	335,134	363	*	335,497
	February	481,469	515	*	481,984
	March	364,240	128,307	*	492,547
	April	391,988	148	*	392,136
	May	36,158	989	*	37,147
	June	178,915	387,999	*	566,914
	July	394,200	---	*	394,200
	August	560,351	---	---	560,351
	September	177,834	327,205	55,174	449,865
	October	158,716	---	---	158,716
	November	375,715	---	---	375,715

BELEN SAVINGS AND LOAN ASSOCIATION

SAVINGS ACTIVITY REPORT

NOVEMBER 30, 1977

Savings by Type of Account

	No. of Accounts	Amount	% of Total	Ave. Acct. Balance	Net for November	Net for Year
5.25% Passbooks	4,347	$ 9,934,174.77	44.30%	$ 2,285.29	$ 3,978.80	$ (45,388.19)
5.75% 3 Mo. Certificate	42	231,362.96	1.03	5,508.64	59,321.35	226,362.96
6.00% 1 Yr. Certificate	---	---	---	---	---	(20,000.00)
6.25% 1 Yr. Certificate	1	10,320.89	.05	10,320.89	---	320.89
6.50% 1 Yr. Certificate	490	2,973,402.35	13.26	6,068.17	5,756.86	559,427.95
6.60% 1 Yr. Certificate	1	100,000.00	.45	100,000.00	(12.64)	---
6.75% 30 Mo. Certificate	153	1,018,918.22	4.54	6,659.60	(1,617.22)	155,518.22
7.50% 4 Yr. Certificate	771	4,588,763.40	20.47	5,951.70	81,906.54	1,556,129.46
7.75% 6 Yr. Certificate	521	3,565,340.60	15.90	6,843.26	226,381.53	1,812,701.79
	6,326	$22,422,283.19	100.00%	$ 3,544.46	$375,715.22	$4,245,073.08

Growth by Branch	Total Savings	Net for November	Net for Year		COST - YIELD OF MONEY Ave. Loan Yield	Cost of Savings	Net Spread
Belen	$14,885,567	$ 69,584	$2,210,138	12-31-76	8.36	6.25	2.11
Socorro	5,843,159	190,059	1,363,508	6-30-77	8.47	6.21	2.26
Grants	1,693,557	116,072	671,427	11-30-77	8.77	6.35	2.42
	$22,422,283	$375,715	$4,245,073				

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF CONDITION

NOVEMBER 30, 1977

Assets

Conventional First Mortgage Loans	$18,212,623.86
FHA Loans	461,286.46
Home Improvement Loans	64,491.17
Other Loans and Contracts	16,948.17
Federal Home Loan Mortgage Corp. Participations	988,417.70
Government National Mortgage Authority Participations	96,836.17
Total Loans on Real Estate	$19,840,603.53
Mobile Home Loans	177,872.95
Loans on Savings Accounts	237,780.44
Accrued Income (Schedule I)	169,528.72
Stock in Federal Home Loan Bank	161,400.00
Cash on Hand and in Banks	64,184.53
Certificates of Deposit	615,000.00
Banker's Acceptances	1,722,926.17
Government Agencies	694,393.17
Federal Funds	500,000.00
Office Building and Land (Less $72,138.81 Depreciation)	158,537.73
Furniture and Equipment (Less $78,597.72 Depreciation)	96,632.19
Investment Real Estate	32,888.59
Foreclosed REO	19,741.01
Prepaid FSLIC Seconday Reserve	42,313.97
Savings Draft Receivable	16,000.00
Prepaid Expenses (Schedule II)	11,888.52
Investment in Branches	595.30
Accounts Receivable	414.00
Total Assets	$24,562,700.82

Liabilities

Savings and Certificate Accounts	$22,422,283.19
Accrued Interest on Savings	229,000.00
Borrowers' Escrow Accounts	214,421.07
Loans in Process	246.85
Mortgage Payable	17,200.00
Deferred Income (Schedule III)	166,524.11
Accrued Accounts Payable (Schedule IV)	151,245.69
Total Liabilities	$23,200,920.91

Stockholder's Equity

Capital Stock Outstanding	$ 300,000.00
Paid In Capital Surplus	156,000.00
Federal Insurance Reserve	405,000.00
Undivided Profits	500,779.91
Total Stockholder's Equity	$ 1,361,779.91
Total Liabilities and Stockholder's Equity	$24,562,700.82

BELEN SAVINGS AND LOAN ASSOCIATION

SUPPORTING SCHEDULES TO STATEMENT OF CONDITION

NOVEMBER 30, 1977

Schedule I - Accrued Income

Loan Interest	$ 94,090.61
Interest on FHLMC Participations	15,591.21
Income on Government Agencies	17,571.62
Income on Certificates of Deposit	13,600.95
Income on Bankers Acceptances	16,497.33
FHLB Dividends	8,877.00
Interest on FSLIC Secondary Reserve	3,300.00
	$169,528.72

Schedule II - Prepaid Expenses

Insurance	$ 1,509.43
Federal Insurance Premiums	8,283.09
Supplies	675.00
Audit and Examinations	1,421.00
	$ 11,888.52

Schedule III - Deferred Income

Loan Fees	$ 89,969.12
Mobile Home Loan Interest	45,718.52
Home Improvement Loan Interest	9,931.47
FHA Loan Discount	23,229.78
Less Premium on Investments	2,324.78
	$166,524.11

Schedule IV - Accrued Accounts Payable

Operating Expenses	$ 8,576.86
Estimated Bonuses	4,000.00
Travelers Check and Money Order Receipts	7,248.58
Estimated Income Taxes	80,288.78
Deferred Income Taxes	48,200.00
Payroll Taxes	1,018.69
Mortgage Insurance Premiums	1,375.35
Collections and Unapplied Funds	537.43
	$151,245.69

BELEN SAVINGS AND LOAN ASSOCIATION

STATEMENT OF OPERATIONS

NOVEMBER 30, 1977

Income	Month of November	Year to Date
Interest on Real Estate Loans	$137,940.92	$1,424,377.65
Interest on Loans on Savings	1,045.13	6,994.42
Income on Investments	21,406.77	157,932.61
FHLB Dividends	807.00	8,877.00
Loan and Commitment Fees	6,116.44	65,308.91
Escrow and Collection Fees	311.80	17,598.66
Appraisal and Credit Fees	(230.00)	7,548.14
Service Fees	3,176.00	13,929.50
Assumption and Transfer Fees	250.00	755.00
Late Charges	570.00	2,471.57
Prepayment Fees	2,063.72	6,745.48
Income on Investment Real Estate	100.00	700.00
Income on FHLMC and GNMA Participations	6,671.15	83,568.02
Miscellaneous	564.77	1,368.82
Total Income	$180,793.70	$1,798,175.78
Expenses		
Salaries	$ 10,149.55	$ 119,717.75
Payroll Taxes	946.91	9,324.32
Group Insurance	590.76	5,631.03
Other Employee Benefits	1,276.46	8,239.81
Directors Fees	450.00	8,250.00
Auto Expense	366.94	2,438.47
Travel and Entertainment	1,517.66	2,999.26
Office Occupancy	3,902.44	21,283.80
Furniture and Equipment Expense	2,258.21	23,019.97
Advertising	1,472.28	14,118.39
Contributions	690.00	10,743.40
Printing and Supplies	3,709.41	15,557.80
Postage	578.26	4,483.75
Telephone	1,124.53	7,646.80
Audit and Examinations	1,000.00	10,478.05
Legal Fees	229.35	1,926.51
Data Processing	2,825.89	10,035.30
Federal Insurance Premiums	1,380.51	13,628.36
Fidelity and Casualty Insurance	381.00	4,331.34
Dues	5.00	3,164.02
Loan Expense	257.82	2,899.50
Interest on Mortgage	115.65	795.94
Cash Over and Short	3.45	54.48
Miscellaneous	948.81	14,350.16
Total Operating Expenses	$ 36,180.89	$ 315,118.21
Net Before Non-Operating Items	144,612.81	1,483,057.57
Non-Operating Items:		
Loss on sale of fixed assets	1,759.67	1,759.67
REO Expenses	---	391.50
Losses on REO	---	2,206.74
Net Before Interest and Taxes	$142,853.14	$1,478,699.66
Interest on Savings	116,935.82	1,168,967.54
Net Before Taxes	25,917.32	309,732.12
Estimated Income Taxes	10,050.00	83,550.00
Net Income	$ 15,867.32	$ 226,182.12

BELEN SAVINGS AND LOAN ASSOCIATION

SUMMARY OF SPECIFIED ASSETS, NET WORTH AND RESERVE REQUIREMENTS

NOVEMBER 30, 1977

Specified Assets

Total Assets		$24,562,700.82
Less: Cash	$ 64,184.53	
Qualifying Investments	4,520,737.04	
Accrued Investment Income	75,438.13	
Prepaid FSLIC Secondary Reserve	42,313.97	
Prepaid FSLIC Premiums	8,283.09	
FHLB Stock	161,400.00	
Loans in Process	246.85	
80% of Guaranteed Loans	446,498.10	
Share Loans	237,780.44	5,556,882.15
Net Specified Assets		$19,005,818.67

Adjusted Net Worth

Net Worth	$ 1,361,779.91
Less 20% of Scheduled Items	12,476.49
Adjusted Net Worth	$ 1,374,256.40

Adjusted Net Worth as a Percent of Specified Assets 7.23%

FHLB Requirements

(A)	Required Federal Insurance Reserve	$ 521,757.53
	Actual Federal Insurance Reserve	405,000.00
	Net Difference	$ 116,757.53

(B) Required Net Worth:

3.5% of 5 Year Savings Average	$ 521,757.53
20% of Scheduled Items	12,476.49
5% of Secured Long Term Debt	860.00
Total Requirements	$ 535,094.02
Actual Net Worth	1,361,779.91
Net Difference - Excess	$ 826,685.89

(1) This reserve requirement will be met at year end by a transfer from undivided profits.

BELEN SAVINGS AND LOAN ASSOCIATION

DELINQUENT SUMMARY AND SCHEDULED ITEMS

NOVEMBER 30, 1977

TOTAL DELINQUENCY	No. of Loans 10-31-77	No. of Loans 11-30-77	Net Change	Amount	% of Loans
10 to 30 days	42	41	- 1	$681,574.43	3.60%
31 to 60 days	21	10	-11	164,794.43	.87
61 to 90 days	1	3	+ 2	49,904.99	.26
Over 90 days	3	2	- 1	28,190.10	.15
Loans in Foreclosure	1	1	---	14,451.38	.08
	68	57	-11	$938,915.33	4.96%

Scheduled Items

Loans 90 days or more delinquent	$ 28,190.10
Loans in Foreclosure	14,451.38
Real Estate Owned	19,741.01
	$ 62,382.49

Scheduled Item Analysis (As a percent of Specified Assets)	December 31, 1976 Amount	December 31, 1976 %	November 30, 1977 Amount	November 30, 1977 %
Net Slow Loans	$122,448	.75	$42,641	.22
Net Real Estate Owned	22,276	.14	19,741	.10
Net Scheduled Items	$144,724	.89	$62,382	.32

BELEN SAVINGS AND LOAN ASSOCIATION

NEW LOANS, SALES AND CONVERSIONS

NOVEMBER 30, 1977

Owner	Address	Loan Number	Type of Property	Appraisal Amount	Interest Rate	Loan Amount	Loan Fees	Deferred Loan Fees
Refinance Loans								
Sam Baca	550 Esperanza, Bosque Farms	1951	Single	$109,000.00	9.25%	$42,000.00	$420.00	$220.00
George Faust	Rt 2, Box 400, Los Lunas,	1952	New-Single	56,500.00	9.25%	29,000.00	290.00	90.00
Wayne Albrecht	14 Calle del Lago, Socorro	1956	New-Single	44,500.00	9.25%	35,600.00	356.00	156.00
Larry Meeks	120 Stallion, Socorro	1957	New-Single	32,800.00	9.50%	29,070.00	290.70	90.70
Robert Yeager	Rt 4, Box 480, Los Lunas	1958	Single	48,000.00	9.50%	25,000.00	250.00	250.00
Joseph Romero	329 Washington, Grants	1959	New-Single	54,000.00	9.25%	35,500.00	355.00	155.00
Mary Flood	93 Horizon Vista, Belen	1962	Single	32,500.00	9.25%	15,000.00	150.00	150.00
						$211,170.00	$2,111.70	$1,111.70
Conventional Loans								
Harold Wainwright	519 Western, Socorro	1945	Single	39,500.00	9.25%	$19,000.00	$190.00	$190.00
Buddy Lundstrum	Gen. Del., Peralta, N.M.	1947	Single	55,000.00	9.25%	30,000.00	300.00	100.00
Kenneth Trompeter	113 Fulton, Belen	1949	Single	43,000.00	9.25%	33,200.00	332.00	132.00
Michael Shaw	Box 984, Grants	1950	Single	31,500.00	9.25%	24,000.00	240.00	40.00
Beatrice Lloyd	305 Horizon Vista, Belen	1953	Single	30,500.00	9.25%	23,900.00	239.00	239.00
Samuel Lambert	84 Olson, Belen	1954	New-Single	30,600.00	9.25%	23,900.00	239.00	39.00
Gary Cunningham	99 Logan, Belen	1955	Single	41,000.00	9.50%	36,500.00	365.00	165.00
Gary Herron	341 Horner, Belen	1960	Single	34,000.00	9.50%	29,000.00	290.00	90.00
						$219,500.00	$2,195.00	$995.00

Owner	Address	Interest Rate	Loan Amount	Loan Fees	Expiration Date
Loan Commitments Made					
Joe Leyba	West Roosevelt, Grants	9.25%	$50,000.00	$500.00	04-24-78
Harold Holcombe	Rt 2, Box 408, Los Lunas	9.25%	35,000.00	350.00	04-09-78
			$85,000.00	$850.00	

BELEN SAVINGS AND LOAN ASSOCIATION

LIQUIDITY INVESTMENT REPORT

NOVEMBER 30, 1977

Bankers' Acceptances	Investments	Face Amount	Yield	Due Date
Republic Bank of N.Y.	$194,567.38	$197,731.08	6.10	12-06-77
Republic Bank of N.Y.	98,754.17	100,000.00	6.54	12-14-77
First Nat'l St. Bank N.J.	245,333.33	250,000.00	6.10	12-27-77
Union Bank, L.A.	98,394.86	100,000.00	6.45	12-30-77
Shawnut Bk. of Boston	246,543.06	250,000.00	6.73	01-11-78
First Nat'l Bank, Denver	198,144.17	200,000.00	6.70	01-13-78
Fidelity Nat'l Bank Phil. Pa.	252,646.42	259,841.13	5.70	01-16-78
City Nat'l Bk, Detroit	194,712.50	200,000.00	7.03	03-30-78
Equi Bank, Pittsburgh	193,830.28	200,000.00	6.87	05-15-78
	$1,722,926.17	$1,757,572.21		

Government Agencies				
Treasury Note	199,890.00	200,000.00	7.25	12-31-77
Federal Land Bank Note	100,000.00	100,000.00	8.70	01-23-78
Treasury Bill	94,968.86	100,000.00	4.58	02-07-78
Treasury Note	99,815.56	100,000.00	6.875	06-30-78
Treasury Note	99,718.75	100,000.00	6.00	11-15-78
FNMA Debentures	100,000.00	100,000.00	7.80	09-10-79
	$694,393.17	$700,000.00		

Certificates of Deposit				
Bank of Santa Fe	$100,000.00	$100,000.00	6.50	07-20-78
Clovis National Bank	140,000.00	140,000.00	6.625	07-22-78
First Nat'l Bk Lea Cnty (Hobbs)	275,000.00	275,000.00	6.625	07-22-78
First Nat'l Bank, Clovis	100,000.00	100,000.00	7.125	09-20-78
	$615,000.00	$615,000.00		

Average Return on Investments	Amount	Aver. Rate
Bankers' Acceptances	$1,722,926.17	6.44
Government Agencies	694,393.17	6.94
Certificates of Deposit	615,000.00	6.68
All Investments	3,032,319.34	6.60

BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	1977 October	1977 November
Interest on Loans	$134,507.83	$138,986.05
Income on Investments	20,049.40	22,213.77
Loan Origination Fees	8,377.73	6,116.44
Other Fees and Charges	6,420.65	6,141.52
Other Income	7,019.87	7,335.92
	$176,375.48	$180,793.70
Expenses		
Salaries & Employees Expense	$ 12,834.18	$ 12,963.68
Directors' Fees	525.00	450.00
Travel & Entertainment	283.73	1,517.66
Office Occupancy	1,431.86	3,902.44
Furniture & Equipment	2,321.15	2,258.21
Advertising	1,509.71	1,472.28
Audit & Examination	1,000.00	1,000.00
Legal Fees	417.00	229.35
Federal Insurance	1,380.51	1,380.51
Other Expenses	5,168.45	12,766.43
Estimated Income Tax	9,000.00	10,050.00
	$ 35,871.59	$ 47,990.56
Net Before Interest	140,503.89	132,803.14
Interest on Savings	118,393.46	116,935.82
Net Income (Loss)	$ 22,110.43	$ 15,867.32

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BELEN SAVINGS AND LOAN ASSOCIATION

OPERATING STATISTICS

Income	'76 Monthly Average	'77 Monthly Average (Jan.-May)	1977 June	1977 July	1977 August	1977 September
Interest on Loans	$99,089.86	$120,516.67	$140,528.60	$150,987.14	$149,366.84	$134,424.22
Income on Investments	10,727.03	11,678.81	11,280.21	16,128.38	19,400.14	18,945.07
Loan Origination Fees	4,909.10	4,537.63	5,810.40	7,834.06	8,265.16	7,489.77
Other Fees and Charges	2,703.92	3,384.89	9,051.05	2,807.70	7,416.62	5,952.52
Other Income	4,515.71	8,071.88	7,840.78	8,086.29	7,258.38	7,305.08
	$121,945.62	$148,189.88	$174,511.04	$185,843.57	$191,707.14	$174,116.66
Expenses						
Salaries & Employees Expense	$ 11,429.36	$12,945.46	$ 13,195.94	$ 13,164.22	$13,479.02	$ 12,799.06
Directors' Fees	887.50	937.50	675.00	525.00	450.00	675.00
Travel & Entertainmant	232.63	265.73	245.14	238.08	184.82	285.82
Office Occupancy	1,789.57	1,756.68	4,663.48	1,483.02	1,756.33	2,170.07
Furniture & Equipment	1,554.23	1,987.08	7,212.62	1,369.55	2,895.48	2,253.10
Advertising	1,081.65	1,033.44	1,341.19	1,444.43	2,049.91	1,741.40
Audit & Examination	1,173.58	1,079.68	2,451.80	1,000.00	500.00	500.00
Legal Fees	(2.73)	145.60	-	-	-	406.58
Federal Insurance	969.16	1,120.07	1,380.51	1,380.51	1,380.51	1,380.51
Other Expenses	3,961.82	5,951.13	9,242.39	4,919.20	12,055.79	9,140.02
Estimated Income Tax	3,795.83	5,066.67	30,400.00	13,200.00	12,400.00	8,500.00
	$ 26,872.60	$32,289.04	$ 70,808.07	$ 38,421.01	$ 47,151.86	$ 39,851.56
Net before Interest	$ 95,073.02	$115,900.84	$103,702.97	$147,422.56	$ 144,555.28	$134,265.10
Interest on Savings	81,691.98	100,067.54	105,475.65	107,946.29	112,669.03	112,617.70
Net Income (Loss)	$13,381.04	$ 15,833.30	$ (1,772.68)	$ 39,476.27	$ 31,886.25	$ 21,647.40

MINUTES OF THE MEETING
OF
DIRECTORS
OF
BELEN SAVINGS AND LOAN ASSOCIATION

November 15, 1977

The meeting of Directors of Belen Savings & Loan Association was held in Belen at 12:30 p.m. on November 15, 1977. All Directors were present except Directors Coulson, Seery and Sedillo whose absence was excused. Also present were Messrs. Boynton, Trump, Foley, McNary, Marsh and Ms. Bacon.

The minutes of the Board of Directors Meeting of October 1977 were reviewed and approved after the reading was waived.

The President presented to the Directors a Statement of Condition, Statement of Operation, Report of Loan Delinquincy, Report of Real Estate Owned, Report of Savings Activities and Report of Liquidity Investments for the month and they were approved. A copy of such report is contained in the Exhibits File designated as Board Exhibit "1" to the minutes of this meeting.

The President reported that a Report of Examination by the New Mexico Savings & Loan Supervisor had been received which contained no comments and requested that receipt of the report be acknowledged to the Supervisor.

The President reported that bonus for employees had been accrued and recommended payment of these. After discussion it was moved, seconded and unanimously,

> RESOLVED, that bonus for employees and officers be and they are hereby authorized to be paid in accordance with the recommendation of the President.

Mr. Trump informed the Directors of the status of the pending application for acquisition to Belen Savings by New Mexico Financial

Corporation and expressed the hope and desire that it would be acted upon by the Federal Home Loan Bank Board shortly.

There being no further business to come before the Board the meeting was adjourned.

_____

ATTEST:

_____

An amount or word "NONE" should be entered for each item

Federal Home Loan Bank Board
Management Information System

MONTHLY REPORT

(See Separate Instructions)
(REPORT IN DOLLARS ONLY – NO CENTS)

NAME AND ADDRESS OF ASSOCIATION (PLEASE USE PREPRINTED LABEL)

DISTRICT/DOCKET: 09/6827

NAME OF ASSOCIATION: Belen Savings and Loan Assoc.

NUMBER AND STREET: 634 Becker Avenue

CITY: Belen | STATE: New Mexico | ZIP: 87002

SELECTED BALANCE SHEET ITEMS AT END OF MONTH

ASSETS

		DOLLARS
Mortgage Loans Outstanding:		
Construction	001	$ None
Other	002	18,673,910
Real Estate Acquired by Foreclosure or Deed in Lieu:		
Sold on Contract and Loans to Facilitate	003	None
Unsold or in Judgment	004	19,741
Mortgages, Participations or Mortgage-Backed Securities Insured or Guaranteed by an Agency or Instrumentality of the U.S.	005	1,085,254
Improvement, Education, Retail Mobile Home, Equipping, and Miscellaneous Other Loans	006	259,312
Cash and Investment Securities:		
Eligible for Liquidity	007	3,144,174
Ineligible for Liquidity	008	500,000
Other Assets	009	880,310
Total Assets	050	24,562,701
MEMO: Average Daily Balance in Loans of Federal Funds	061	638,333

LIABILITIES AND NET WORTH

		DOLLARS
Savings in Accounts Earning:		
In Excess of Regular Rate Paid on Passbook Accounts:		
In Certificates with Denominations of $100,000 or more	101	$ 407,794
In Other Accounts	102	12,080,314
At or Below Regular Rate Paid on Passbook Savings	103	9,934,175
FHLB Advances	104	None
Other Borrowed Money	105	17,200
Loans in Process	106	247
Other Liabilities	107	761,191
Total Net Worth (Including Net Undistributed Income)	108	1,361,780
Total Liabilities and Net Worth	150	24,562,701
MEMO: FHLB Advances and Other Borrowed Money Due in One Year or Less	161	2,400

MORTGAGE ACTIVITY DURING MONTH

Construction Loans Closed.		
Condominiums	201	$ None
Single-Family Dwellings	202	None
2-4 Dwelling Unit Structures	203	None
5 or More Dwelling Unit Structures	204	None
Nonresidential	205	None
Loans Closed for Purchasing:		
Single-Family Homes:		
Newly-Built Homes	206	23,900
Previously-Occupied Homes	207	195,600
2-4 Dwelling Unit Structures	208	None
5 or More Dwelling Unit Structures	209	None
Nonresidential	210	None
Land Loans Closed	211	None
Refinancing Loans Closed	212	211,170
Loans Closed for All Other Purposes	213	None
Total Loans Closed (220 = 201 through 213)	220	430,670
Loans and Participations Purchased	221	None
Loans and Participations Sold	222	None
Cash Repayment of Principal	223	211,388
Debits Less Credits Other Than Cash Repayment of Principal	224	None
Net Change in Mortgage Loan Portfolio (250 = 220 + 221 – 222 – 223 + 224)	250	219,282
MEMO: Previously Reported Combination Construction/Permanent Loans Where Construction Was Completed This Month	261	None
Non-Cash Portion of Refinancing Loans Reported This Month	262	None
Loans and Contracts Delinquent 60 Days or More	263	78,095

MORTGAGE LOAN COMMITMENTS

New Commitments Made During Month:		
To Originate Loans	301	$ 85,000
To Purchase Loans from Other Lenders	302	None
All Commitments Outstanding at End of Month:		
To Originate Loans	303	674,035
To Purchase Loans from Other Lenders	304	None
Cash Expected to be Disbursed from Commitments Reported in 303 and 304:		
Within 1 Month After Reporting Month	305	243,140
2-3 Months After Reporting Month	306	283,895
4-6 Months After Reporting Month	307	147,000
7-12 Months After Reporting Month	308	None
More Than 12 Months After Reporting Month	309	None

ALL OTHER COMMITMENTS TO PURCHASE LOANS OR SECURITIES

Amount Outstanding at End of Month	401	$ None

SAVINGS ACTIVITY DURING MONTH

Interest/Dividends Credited	501	$ None
New Savings Received	502	1,443,123
Savings Withdrawn	503	1,067,408
Net Change in Savings (550 = 501 + 502 – 503)	550	375,715

SELECTED INCOME AND EXPENSE ITEMS (Fiscal Year to Date)

Interest on Mortgage Loans and Contracts	601	$ 1,424,378
Interest on Investments	602	157,933
Other Operating Income	603	215,865
Other Non-Operating Income	604	None
Total Income (620 = 601 through 604)	620	1,798,176
Operating Expense	621	314,322
Interest/Dividends on Savings	622	1,168,968
Interest on Advances and Borrowed Money	623	796
Non-Operating Expense	624	4,358
Federal and State Income Taxes	625	83,550
Total Expense (640 = 621 through 625)	640	1,571,994
Net Income (650 = 620 minus 640)	650	226,182

The following NUMBER of months of income and expense data are included in the above FISCAL-YEAR-TO DATE figures: 661 | 1 | 1

MEMO: Check if you are including in your balance sheet for the first time assets, etc., acquired as a result of merger or similar type acquisition: 701

PREPARED BY: W.R. Sanderson

PHONE NO. *(Include area code)*: 505-864-4474

MONTH ENDED: November 30,1977

REPORT DUE IN WASHINGTON BY 10th OF MONTH

If you need a new supply of this form, contact the ICR Coordinator at your District Bank.

NEW MEXICO FINANCIAL CORPORATION

THIRD QUARTER REPORT TO SHAREHOLDERS

The Company

New Mexico Financial Corporation is a savings and loan holding company headquartered in the Sandia Savings Building at Fourth and Gold Avenues in Albuquerque, New Mexico.

The Company owns all the outstanding stock of Sandia Savings and Loan Association with five offices in Albuquerque, and offices in Clovis, Roswell and Las Cruces, and McKinley Savings and Loan Association with offices in Gallup and Farmington, New Mexico. Sandia Savings plans to open two additional offices in the Albuquerque area during 1978.

The Company has entered into an agreement to acquire substantially all the outstanding stock on Belen Savings and Loan Association with offices in Belen, Socorro and Grants, with another branch to be opened in 1978 in Los Lunas, New Mexico. The acquisition will be completed immediately upon receipt of approval from the Federal Home Loan Bank, which is expected within the next sixty days. As of September 30, 1977, Belen Savings had total assets of $23.8 million, total savings of $21.9 million and total loans of $19.7 million. During the first nine months of 1977, Belen's unaudited earnings were $188,204.

Earnings

During the first nine months of 1977, Company earnings were $626,565 or $.91 per share, as compared to $421,525, or $.75 per share during the first nine months of 1976.

Resources

Your Company's total resources increased approximately $30 million over the past year from $128.4 million at September 30, 1976 to $158.2 million at September 30, 1977. During this period total stockholders equity increased from $4,188,067 or $7.47 per share on 560,515 shares outstanding, to $6,432,904 or $9.05 per share on 710,515 shares outstanding.

Savings

During the year ended September 30, 1977, Company total savings increased from $117.6 million to $145.4 million, or approximately $27.8 million. This represents a 24% increase.

Loans

Total loans of the Company increased approximately $28 million during the year ended September 30, 1977, from $106 million to $134 million, representing an increase of 26%.

CONSOLIDATED FINANCIAL HIGHLIGHTS

	December 31, 1976	September 30, 1977
Total Assets	$132,466,402	$158,229,199
Loans Outstanding	109,711,564	126,507,413
Savings Accounts	122,661,938	145,436,427
FHLB Advances	1,172,950	1,172,950
Cash and Securities	14,395,230	22,238,374
Stockholders' Equity	4,859,554	6,432,881
Stock Outstanding	616,727	710,515
Stockholders' Equity Per Share	$ 7.88	$ 9.05
Net Loan Portfolio Yield	8.28%	8.41%
Cost of Savings	6.57	6.64
Cost of Borrowing and Mortgage	8.49	8.52
Cost of Savings, Borrowing and Mortgage	6.62	6.67
Net Spread	1.66	1.74

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL CONDITION

SEPTEMBER 30, 1976 AND 1977

Assets	September, 1976	1977
Cash on hand and in banks	$ 5,170,901	$ 7,305,044
Marketable Securities, at cost	8,035,330	7,478,737
Unsecured short-term loans to commercial banks	725,000	450,000
Loans receivable	105,998,242	133,512,007
Interest Receivable	879,052	1,142,378
Real estate acquired in settlement of loans, net of reserves	58,374	
Real estate held for investment, at lower of cost or market	256,827	428,917
Premises, property and equipment, partially pledged	4,685,415	5,164,457
Branch permits, at cost less accumulated amortization	479,838	489,009
Goodwill arising from purchase of subsidiary, less accumulated amortization	176,655	171,677
Investments required by law:		
Stock in Federal Home Loan Bank of Little Rock	849,000	997,000
Prepayments to FSLIC Secondary Reserve	777,546	726,004
Other assets	297,339	363,969
	$128,389,519	$158,229,199
Liabilities, Deferred Income And Stockholders' Equity		
Liabilities:		
Savings Deposits	$117,577,808	$145,436,427
Notes payable and other borrowing	3,118,853	2,691,446
Advance payments by borrowers for property taxes and insurance	2,469,921	2,787,187
Accrued expenses and other liabilities	480,827	314,037
Taxes on income	300,065	331,109
Total Liabilities	$123,947,474	$151,560,206
Deferred Income	$ 253,978	$ 236,089
Stockholders' Equity:		
Common stock of $1. par value, authorized 3,000,000 Shares; issued 560,515 shares in 1976 and 710,515 shares in 1977, net of treasury stock	$ 560,515	$ 710,515
Paid-in Capital	770,835	2,076,684
Retained earnings:		
Appropriated (subsidiary reserves)	1,694,444	2,496,903
Unappropriated	1,162,273	1,148,802
Total Stockholders' Equity	$ 4,188,067	$ 6,432,904
	$128,389,519	$158,229,199

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
Income:	1976	1977	1976	1977
Interest on loans	$2,114,671	$2,562,846	$6,008,450	$7,326,305
Interest and dividends on investments	228,513	374,812	658,706	934,238
Loan fees and service charges	138,779	238,538	413,430	617,172
Other	4,187	3,666	12,191	11,868
	$2,486,150	$3,179,862	$7,092,777	$8,889,583
Expenses:				
Interest on savings deposits	$1,874,303	$2,342,515	$5,307,460	$6,650,782
Administrative and general	369,222	449,837	1,076,198	1,276,451
Other Interest expense	32,286	24,352	97,515	72,692
Real estate operations, net	9,766	4,034	15,906	(11,071)
	$2,285,577	$2,820,738	$6,497,079	$7,988,854
Income before taxes on income	$ 200,573	$ 359,124	$ 595,698	$ 900,729
Taxes on income	56,987	112,660	174,173	274,164
Net income	$ 143,586	$ 246,464	$ 421,525	$ 626,565
Income per share based on weighted average number of shares outstanding of 559,676 in 1976 and 685,494 in 1977.	$ .26	$ .36	$ .75	$ .91

PROSPECTUS

150,000 SHARES

New Mexico Financial Corporation

COMMON STOCK
$1 PAR VALUE

Prior to this offering there has been no public market for the common stock of the Company. Accordingly, the public offering price has been determined by the Company. There can be no assurance that a public market will develop after this offering.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	*Underwriting Discounts and Commissions* (1)	*Proceeds to Company* (2)
Per Share	$10	None	$10

NEW MEXICO FINANCIAL CORPORATION
SUPPLEMENT TO PROSPECTUS
DATED NOVEMBER 3, 1976

As described in the Prospectus under "The Offering," the Company would declare the offer effective upon its determination that subscriptions for at least 50,000 shares have been received.

That determination has been made and the offer was declared effective on December 20, 1976. Any purchases of shares hereafter made will not be conditioned upon the sale of any minimum number of shares.

PROSPECTUS

150,000 SHARES

New Mexico Financial Corporation

COMMON STOCK
$1 PAR VALUE

Prior to this offering there has been no public market for the common stock of the Company. Accordingly, the public offering price has been determined by the Company. There can be no assurance that a public market will develop after this offering.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	*Underwriting Discounts and Commissions* (1)	*Proceeds to Company* (2)
Per Share	$10	None	$10
Total — (3) 50,000 Shares 150,000 Shares	 $ 500,000 $1,500,000	 None None	 $ 500,000 $1,500,000

(1) The Company proposes to offer all or part of the shares directly to the public at $10 per share through certain of its employees.

(2) Before deducting certain expenses to be paid by the Company, estimated at $85,000 ($1.70 per share at 50,000 shares and $ .57 per share at 150,000 shares).

(3) As explained in this Prospectus under the caption "The Offering", the Company offers to sell at least 50,000 shares but not more than 150,000 shares.

The date of this Prospectus is November 3, 1976.

PROSPECTUS SUMMARY

This summary is qualified by reference to the detailed information found in the remainder of this Prospectus.

Company. . . . . New Mexico Financial Corporation is a holding company which owns Sandia Savings and Loan Association which, with eight offices, is the largest capital stock association in New Mexico. It also owns McKinley County Savings and Loan Association which has two offices.

Offering . . . . . The shares are being offered through the officers and directors of the Company and its subsidiaries. The Company is paying no commissions or other special compensation for these services.

Use of Proceeds. . The net proceeds will be used for the lending and investment activities of the Company's subsidiaries. A portion may be used to repay indebtedness of the Company incurred to acquire McKinley County Savings and Loan Association.

Operations . . . . Five of Sandia's offices are in Albuquerque, which has approximately one-third of the state's population. Its other three offices and McKinley's offices are in five other New Mexico communities.

Following is a summary of certain financial information:

	At December 31, (000's omitted except for per share figures)					At May 31,
	1971	1972	1973	1974	1975	1976 (Unaudited)
Assets	$45,708	$60,550	$77,859	$90,690	$108,449	$121,322
Savings Deposits	43,464	56,905	71,461	82,265	99,381	110,374
Loans	37,039	50,686	65,589	76,711	91,279	99,980
Stockholders' equity	776	1,963	2,736	3,429	3,824	4,087
Stockholders' equity per share	1.67	3.56	4.97	5.98	6.87	7.29

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976 (Unaudited)
Revenues	$3,247,285	$4,277,304	$5,578,690	$6,960,456	$7,961,925	$3,087,609	$3,793,889
Earnings before extraordinary item	363,961	561,759	705,755	551,348	469,510	181,968	232,672
Net earnings	397,883	687,164	773,270	567,210	469,510	181,968	232,672
Earnings per share:							
Before extraordinary item	.84	1.20	1.28	1.00	.87	.32	.42
After extraordinary item	.92	1.47	1.40	1.03	.87	.32	.42

No dealer, salesman, or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus and, if given or made, such information and representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

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Until February 1, 1977 (90 days after the date of this Prospectus), all dealers effecting transactions in the registered securities, whether or not participating in this distribution, may be required to deliver a Prospectus.

THE OFFERING

By this Prospectus, the Company offers to sell at least 50,000 shares but not more than 150,000 shares of its common stock at a price of $10 per share. The offering is being made through certain employees of the Company. Acceptance of the offer is to be made by completing and returning the subscription form attached to this Prospectus, together with payment at $10 per share subscribed. Detailed instructions are on the subscription form. Note that the subscription form and payment must be received by the Company by November 30, 1976. The offer may be closed before that date if subscriptions have been received for 150,000 shares and may be extended for up to an additional twenty days. A subscription form may be revoked by written notice to the Company received within five business days of receipt of the subscription form.

Upon the Company's determination that subscriptions for at least 50,000 shares have been received, it will declare the offer effective and so notify all subscribers by written confirmation of their purchase. Should subscriptions for fewer than 50,000 shares be received by December 20, 1976, all payments shall be promptly returned.

Price Determination

The price per share has been determined by the directors of the Company, based upon their evaluation of the Company's economic history and prospects for the future. No independent evaluation has been made or requested. During the period from August 1975 through May 1976, the Company sold 6,263 shares to 10 individuals at a price of $8 per share in private sales. The Company knows of no other prices at which any of its outstanding shares may have been sold in the last year. No one has acted as a market maker for the Company's common stock, which before this offering was held by approximately 60 shareholders.

The directors used considerations generally employed by issuers of securities and by prospective investors in deciding what is an appropriate price. These include the Company's earnings history, its "book value" per share (the amount shown on its statement of condition for assets, less the amount shown for its liabilities, divided by the number of its shares outstanding), the apparent quality of the people and assets it employs, the extent and due dates of the Company's liabilities and the possibility of material future liabilities outside the ordinary course of business, the economic prospects generally and for the business field in which the Company operates, the rate of return the Company has experienced on the amount of its stockholders' investment, the Company's dividend policy and history, the amount of cash the Company generates from its operations, the uses to which proceeds from the offering will be applied and many other objective facts and subjective judgments. This Prospectus is intended to furnish information which will enable the reader to decide whether shares of the Company's common stock, at the offering price, are a suitable investment, given the reader's own circumstances and objectives.

Reference to financial publications, including daily newspapers, will give the ratio of price to earnings, the dividend rate and certain other information about the common stock of other companies, as well as alternate forms of investment. Comparison of ratios of per share price to earnings and "book value" per share for publicly owned savings and loan holding companies will generally show that the price determined for the Company's common stock is higher, in terms of those ratios, than for those other companies.

THE COMPANY

New Mexico Financial Corporation (the "Company") was incorporated in Delaware in 1961. The Company's principal office is located at 4th and Gold Streets, P. O. Box 1008, Albuquerque, New Mexico, 87103, and its telephone number is (505) 247-8186. The Company owns all of the outstanding capital stock of Sandia Savings and Loan Association ("Sandia"), and all of the outstanding capital stock of McKinley County Savings and Loan Association ("McKinley"). All references in this Prospectus to the "Company" include Sandia, except where the context indicates otherwise.

Sandia is the largest capital stock savings and loan association in New Mexico, with total assets of approximately $119,000,000 and savings deposits of approximately $107,000,000 at May 31, 1976. In New Mexico, one mutual association (an Association owned by its depositors) is larger than Sandia. See "Business -- General". Sandia has five offices in Albuquerque and has one office each in Clovis, Roswell and Las Cruces, New Mexico. McKinley has offices in Gallup and Farmington, New Mexico and has total assets of approximately $3,400,000 and savings deposits of approximately $3,000,000. Sandia and McKinley may not currently be merged because of regulatory restrictions on the location of branch offices. However, they are under common management and, unless the context indicates otherwise, reference to "Sandia" includes both Sandia and McKinley.

The principal business of Sandia is obtaining savings deposits from the general public and making loans secured by first mortgages on real property to enable borrowers to purchase, build upon, improve or refinance real property. Savings deposits of individuals and others, principal payments on loans and bank borrowings provide the principal sources of funds used in lending activities. Sandia's income is derived principally from interest and loan fees. Sandia's savings deposits are insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") and Sandia is subject to supervision and examination by that agency through its governing body, the Federal Home Loan Bank Board ("FHLBB"). In addition, as a state-chartered association, it is subject to supervision and examination by the New Mexico Commissioner of Banking and the New Mexico Savings and Loan Supervisor (the "Supervisor"). See "Business -- Regulation".

The parent company's earnings, separately stated, were $39,641 for 1975 and $16,767 for the five months ended May 31, 1976. These earnings result from management fees charged its subsidiaries and insurance commissions. Management fees (which were $78,000 in 1975 and $40,000 for the five months ended May 31, 1976) are limited by regulation. See "Business -- Regulation - Holding Company Regulation". Insurance commissions were $14,761 in 1975 and $5,886 for the five months ended May 31, 1976. See "Financial Statements (Parent Company)".

The Company is a savings and loan holding company within the meaning of the National Housing Act, as amended by the Savings and Loan Holding Company Amendments of 1967 (the "Holding Company Act"), and as such is also subject to regulation and examination by the FSLIC and FHLBB.

Factors to be Considered

In evaluating the offering, prospective investors should consider among other factors, the following:

The Company as a savings and loan holding company is subject to the requirements of various regulatory bodies including the FHLBB, the FSLIC and applicable New Mexico law. See "Business -- Regulation". Minimum standards are imposed by these agencies on the net worth of savings and loan associations. As a result Sandia is presently unable to pay dividends to the parent company, thus restricting the probability of dividends on the shares being offered by this Prospectus. Sandia may also become unable even to accept additional deposits. For instance, because of FSLIC requirements, Sandia will be unable to pay dividends until its net worth reaches $8,109,473, compared to actual net worth of $3,838,386, as defined, at May 31, 1976. Sandia would be unable under New Mexico law to accept additional savings deposits if its net worth, as differently defined, falls below $3,588,793. At May 31, 1976, its net worth so defined was $4,419,156.

As a result of the unavailability of dividends from Sandia, the Company's ability to pay dividends on the shares being offered is limited to cash flow derived from management fees and insurance commissions. However, management fees are limited by federal law to $104,000 annually. Insurance commissions are approximately $12,000 annually.

The Company borrowed $400,000 to acquire McKinley. That debt is part of a bank loan commitment for a maximum of $600,000 and is repayable at $50,000 a year until December 31, 1981. On that date, any remaining balance would come due. With the limitations on the parent company's income, this repayment schedule would absorb a major portion of the parent company's cash flow. How this limits the cash available for investment in Sandia or other purposes may be seen by reference to the Financial Statements under the caption "New Mexico Financial Corporation (Parent Company) -- Statement of Changes in Financial Position." The possible application of the proceeds of this offering for parent company purposes is described under "Use of Proceeds."

The parent company received brokerage fees from borrowers from 1974 through September 30, 1976. At that date, new FHLBB regulations became effective relating to those fees and this practice was discontinued. The FHLBB had taken the position that other regulations had, in the past, also required that these fees be paid to Sandia and not the parent company. While no enforcement proceedings have ever been brought or threatened, and, in the opinion of management, never will be, it is conceivable that the FHLBB, or even some other person or entity, might initiate proceedings intended to require that the parent company pay to Sandia the approximately $225,000 it had received.

Economic Factors

The Company is engaged in businesses which can be materially affected by fluctuations in the general economy. Sandia's savings deposits come primarily from local residents in relatively small accounts (see "Business -- Savings Deposits") and its loans are primarily secured by existing single-family residences (see "Business -- Lending Activities"). However, inflationary factors, the economics of the building industry and changes in regulated and competitive interest rates may materially affect Sandia's ability to attract savings deposits and make loans and may affect its profitability. See preceding references and "Business -- Competition".

Dilution

The net tangible book value of the Company's common stock at May 31, 1976 was $6.15 per share. Giving effect to the receipt of the minimum net proceeds of this offering as of that date (see "The Offering"), such book value would be increased $.18 per share at no cost to the present shareholders and with the increase attributable to the price being paid for the shares offered hereby. Giving effect to the receipt of the maximum net proceeds of this offering, such book value would be increased $.70 per share. Purchasers of the shares offered by this Prospectus will sustain immediate dilution of $3.67 per share from the offering price if the minimum number of shares is sold, and a dilution of $3.15 per share if the maximum number is sold, as illustrated by the following table:

	50,000 Shares Sold	150,000 Shares Sold
Public offering price	$10.00	$10.00
Net tangible book value:		
Before offering	$ 6.15	$ 6.15
After offering, net of expenses	$ 6.33	$ 6.85
Amount of increase in book value attributable to net proceeds of offering	$ .18	$ .70
Dilution to new investors	$ 3.67	$ 3.15

For these purposes, "net tangible book value" is the book value of the Company's tangible assets less its liabilities divided by the number of shares of common stock outstanding. Accordingly, net tangible book value excludes $459,889 of the $500,000 paid by Sandia in 1972 for rights to operate three additional offices and $179,026 goodwill arising from the purchase of McKinley County Savings and Loan Association. "Dilution" is the difference between the purchase price per share and the book value per share.

Dividends

For information as to the Company's dividend policy and certain restrictions upon the payment of dividends, see "Dividends" and "Business -- Regulation".

Status of Outstanding Shares

A maximum of 509,457 shares of the Company's common stock may be deemed to be "restricted securities" as that term is defined in Rule 144 under the Securities Act of 1933, as amended. By virtue of the provisions of Rule 144, a maximum of 96,504 shares could become available for sale on the open market within any 6-month period following the date of this Prospectus. Of these 96,504 shares, 90,230 shares are or will be held by officers, directors or principal shareholders of the Company and Sandia or their affiliates. See "Principal Shareholders". These persons have advised the Company that they have no present intention to sell any shares of the Company's common stock pursuant to Rule 144 within the 12 months following the date of this Prospectus, without the prior consent of the Company. The remaining 51,058 shares, which are not subject to Rule 144, may be sold at any time. One shareholder has agreed to divest a significant number of shares by December 31, 1977. See "Principal Shareholders".

Control

Immediately prior to this offering, the Chairman of the Board of the Company, Graham R. McNary, and two corporations of which he is the controlling shareholder together owned approximately 41.2% of the Company's common stock. If the minimum 50,000 shares are sold in this offering, Mr. McNary and the two corporations will continue to own approximately 37.8% of the Company's common stock. If the maximum 150,000 shares are sold, the percentage will be 32.5%. In either event, Mr. McNary may be in a position to control the affairs of the Company. He may also be required to reduce his ownership to less than 25%. See "Principal Shareholders".

USE OF PROCEEDS

After deducting the expenses of this offering, the net proceeds to the Company from the sale of the minimum 50,000 shares are estimated at approximately $415,000. At the maximum 150,000 shares, the net proceeds are estimated at $1,415,000. It is intended that $350,000 of the net proceeds from the minimum $415,000 will be contributed to Sandia's net worth (to bear no interest or other consideration). If at least 50,000 shares but not more than 90,000 shares are sold, all the additional proceeds ($400,000) will be used in retiring indebtedness incurred to acquire McKinley. Should more than 90,000 shares be sold, the proceeds from up to an additional 25,000 shares ($250,000) will be contributed to Sandia's net worth on the same basis as the initial $350,000.

All proceeds from sale of over 115,000 shares (up to the maximum remaining $350,000 in proceeds) will be held by the Company in short-term interest-bearing securities until allocated by management for some purpose related to the Company's operations. No such allocation has been made. The parent company is a "multiple savings and loan holding company". As such, its business activities are restricted to those incidental to the operations of Sandia. See "Business - Regulation - Holding Company Regulations". The parent company has no plans to acquire any other savings and loan associations, to engage in any new business activities or to increase compensation to its officers over current levels (recently reduced as a result of discontinuing activities related to receipt of brokerage fees mentioned above).

The following table illustrates the intended use of proceeds, based upon estimated gross proceeds of a minimum $500,000 and a maximum $1,500,000 and estimated expenses:

	50,000 shares	150,000 shares
Capital contribution to Sandia	$350,000	$ 600,000
Retirement of Debt	$ -	$ 400,000
Retained by parent company	$ 65,000	$ 415,000
Public offering expenses	$ 85,000	$ 85,000
Total	$500,000	$1,500,000

CAPITALIZATION

The capitalization of the Company, Sandia and McKinley as of May 31, 1976 and as adjusted to give effect to the issuance of the minimum and maximum numbers of shares offered hereby is as follows:

	Outstanding		
	At May 31, 1976	If 50,000 Shares sold	If 150,000 Shares sold
New Mexico Financial Corporation:			
Unsecured short-term bank borrowings	$ 400,000	$ 400,000	$ 400,000
Common stock, $1 par value authorized 3,000,000 shares	560,515sh.	610,515sh.	710,515sh.
Sandia:			
Savings Accounts:			
Certificates	$73,618,069	$73,618,069	$73,618,069
Passbooks	$33,783,690	$33,783,690	$33,783,690
8-3/4% Mortgage Loan, due in installments through 1997 (1)	$ 1,554,521	$ 1,554,521	$ 1,554,521
Advances from Federal Home Loan Bank (2)	$ 1,172,950	$ 1,172,950	$ 1,172,950
McKinley:			
Savings Accounts:			
Certificates	$ 1,683,873	$ 1,683,873	$ 1,683,873
Passbooks	$ 1,288,083	$ 1,288,083	$ 1,288,083

(1) The proceeds of this loan were used for the purchase and improvement of the Albuquerque office building in which the Company and Sandia have their principal offices. See "Business -- Offices". Monthly installments of principal and interest are $13,466.

(2) See Note 13 of Notes to Financial Statements of New Mexico Financial Corporation.

(3) See Note 10 of Notes to Financial Statements of New Mexico Financial Corporation and "Business -- Offices" for a description of Sandia's long-term lease obligations.

SEE BELOW *

DIVIDENDS

The Company has no history of dividend payments and its ability to pay dividends in the future is materially restricted by government rules. Dividends may not be paid from retained earnings representing undistributed earnings of Sandia. Because the parent company has no retained earnings, on a separately stated basis, dividends may be paid only from its separate current earnings, which would include any dividends paid from its subsidiaries. Sandia is restricted by its by-laws from paying cash dividends so long as its net worth is less than 8%* of its specified assets, or if the payment of the dividends would reduce its net worth below that level. Payment of dividends by Sandia may be further limited by Federal insurance reserve requirements of the FSLIC; they may also be limited by New Mexico law and by Federal law. See "Business -- Regulation," "Business -- Taxation" and "Note 7 of Notes to Financial Statements of New Mexico Financial Corporation."

While McKinley's net worth would permit it to pay some dividend, that dividend would not be a material source for dividends on the shares being offered by this Prospectus. The other sources of income to the parent company, from which dividends could be paid, are management fees (currently a maximum of $104,000 annually), insurance commissions of approximately $12,000 annually and income from any portion of the proceeds of this offering retained by the parent company.

* The Company has been paying dividends in accordance with information contained in the attached Stockholders letter dated January 13, 1978.

Since the publication of this prospectus, Sandia is no longer restricted by its by-laws from paying cash dividends so long as its net worth is less than 8% of its specified assets and is now required to maintain a net worth of 5% of its specified assets in order to pay dividends.

New Mexico Financial Corporation

P.O. Box 1008 . Albuquerque, New Mexico 87103 / (505) 247-8186

January 13, 1978

Dear Stockholders,

We are pleased to enclose our check representing your dividend at our current quarterly dividend rate of $.05 a share payable to stockholders of record as of December 16, 1977. This is the second quarterly dividend paid to 1977 stockholders of record which, if annualized would have been equal to $.20 a share.

The Board of Directors of New Mexico Financial Corporation has declared their intended policy for 1978 to be the payment of an annual dividend of $.30 a share payable $.075 a quarter. The payment of such dividend is contingent on earnings and action by the directors quarterly.

In addition to the good news of the enclosed dividend check and a proposed increase in dividends paid on your stock, unaudited preliminary figures indicate earnings for 1977 were $869,500 or $1.26 a share compared to $556,800 or $.99 a share in 1976, representing an increase of $312,700 or 56%.

Preliminary figures also indicate total resources of the Company increased during the past year from $132.5 million at December 31, 1976 to $161.9 million at December 31, 1977. During this period total stockholders equity increased 36% from $4.86 million or $7.88 a share on 616,727 shares outstanding to $6.59 million or $9.27 a share on 710,515 shares outstanding.

Before the annual meeting and when the audit of company records is completed, you will be furnished with an annual report containing more detailed information. Meanwhile, we believe you will be interested in the growth and proposed dividend increase. If your total dividends in 1977 were in excess of $10.00 a share, your IRS Form 1099 is enclosed.

We would like to remind you once again that Sandia Savings and Loan Association and McKinley Savings and Loan Association pay the highest rates obtainable anywhere on insured savings. We offer many specialized savings account services for individuals, groups, corporations, partnerships and trust funds. If you would like to have complete information on the finest savings plans available anywhere, please call any local office.

Very truly yours,

James Trump, President

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

The following consolidated statements of operations of New Mexico Financial Corporation and subsidiary, (Sandia Savings and Loan Association), so far as they relate to the five years ended December 31, 1975, have been examined by Peat, Marwick, Mitchell & Co., independent certified public accountants, whose report thereon appears elsewhere herein. The statements should be read in conjunction with their notes and the other financial statements and related notes included herein. The unaudited results of operations for the five-month periods ended May 31, 1975 and 1976 (See Note H) are presented below and include, in the opinion of management of the Company, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results for such periods. The results of operations for the five-month period ended May 31, 1976 are not necessarily indicative of the results of operations for a twelve-month period.

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975 (Unaudited)	1976 (Unaudited)
Revenue:							
Interest on loans	$2,484,238	$3,270,098	$4,474,913	$5,611,877	$6,586,027	$2,565,644	$3,208,402
Loan and other fees	288,992	430,856	394,178	357,849	425,056	150,669	209,469
Interest and dividends on investments	285,460	387,228	500,414	869,250	853,399	350,192	357,273
Real estate (Note E)	99,827	158,202	183,220	94,590	65,757	8,384	4,326
Gain on sale of loans	57,800	-	-	-	-	-	-
Other	30,968	30,920	25,965	26,890	31,686	12,720	14,419
	3,247,285	4,277,304	5,578,690	6,960,456	7,961,925	3,087,609	3,793,889
Expense:							
General and administrative expenses (Note C)	640,495	764,177	1,006,156	1,120,905	1,330,601	495,741	586,186
Interest on savings accounts	2,082,063	2,735,924	3,610,903	4,816,422	5,879,234	2,294,877	2,826,532
Interest on borrowed funds (Notes 5 and 13)	60,344	51,636	53,170	71,257	148,023	61,257	54,665
Registration expenses (Note G)	-	-	-	286,328	-	-	-
	2,782,902	3,551,737	4,670,229	6,294,912	7,357,858	2,851,875	3,467,383
Earnings before income taxes and extraordinary item	464,383	725,567	908,461	665,544	604,067	235,734	326,506
Income taxes (Notes B and 8)	100,422	163,808	202,706	114,196	134,557	53,766	93,834
Earnings before extraordinary item	363,961	561,759	705,755	551,348	469,510	181,968	232,672
Extraordinary item from tax benefit of carryforward of prior years' net operating losses	33,922	125,405	67,515	15,862	-	-	-
Net earnings	$ 397,883	$ 687,164	$ 773,270	$ 567,210	$ 469,510	$ 181,968	$ 232,672
Allocation of net earnings (Notes 5 and 9):							
Appropriated (Note F)	$ 20,000	$ 20,000	$ 522,375	$ 502,467	$ 469,510	$ 8,333	$ -
Unappropriated	377,883	667,164	250,895	64,743	-	173,635	232,672
Net earnings	$ 397,883	$ 687,164	$ 773,270	$ 567,210	$ 469,510	$ 181,968	$ 232,672
Earnings per share of common stock (Note D):							
Earnings before extraordinary item	$ .84	$ 1.20	$ 1.28	$ 1.00	$ .87	$ .32	$ .42
Extraordinary item	.08	.27	.12	.03	-	-	-
Net earnings	$ .92	$ 1.47	$ 1.40	$ 1.03	$ .87	$ .32	$ .42
Allocation of earnings per share (Notes 5 and 9):							
Appropriated	$ .05	$ .04	$ .95	$ .91	$ .87	$ .01	$ -
Unappropriated	.87	1.43	.45	.12	-	.31	.42
Net earnings	$ .92	$ 1.47	$ 1.40	$ 1.03	$ .87	$ .32	$ .42
Dividends (Note 7):							
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stock	-	-	-	5%	-	-	-

See accompanying Notes to Consolidated Statements of Operations.

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS OF OPERATIONS

(A) See Note 1 of Notes to Financial Statements contained elsewhere herein for a summary of significant accounting policies.

(B) Income taxes consisted of the following:

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Current:							
Federal	$ -	$ -	$ 57,312	$ 38,866	$ 98,225	$40,765	$ 87,509
State	200	100	7,751	3,502	13,311	6,155	10,656
	200	100	65,063	42,368	111,536	46,920	98,165
Deferred:							
Federal	59,067	34,199	62,614	49,941	20,463	6,521	(3,836)
State	7,233	4,104	7,514	6,025	2,558	325	(495)
	66,300	38,303	70,128	55,966	23,021	6,846	(4,331)
Tax effect of net operating loss carryforwards:							
Federal	30,194	112,093	61,223	13,958	-	-	-
State	3,728	13,312	6,292	1,904	-	-	-
	33,922	125,405	67,515	15,862	-	-	-
	$100,422	$163,808	$202,706	$114,196	$134,557	$53,766	$ 93,834

The differences between Federal statutory income tax rate and the effective rate of the provision for income taxes as a percentage of earnings before income taxes are as follows:

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Computed expected tax rate	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
(Decrease) increase from:							
Federal bad debt deduction, net of preference tax	(19.2)	(17.8)	(15.4)	(25.4)	(15.8)	(15.9)	(17.7)
Nontaxable deficiency judgments collected and gain on sale of real estate acquired in settlement of loans, net of losses	(4.9)	(8.3)	(11.3)	(6.2)	(7.4)	(6.5)	(2.0)
State income taxes, net of Federal tax effect	1.2	1.2	1.2	2.0	1.4	1.4	1.6
Amortization of branch permits, not deductible for tax purposes	-	.6	.7	.9	1.0	1.1	.8
Surtax exemptions, net of multiple surtax election penalties	(1.9)	(.6)	(.8)	(1.0)	(2.2)	(2.4)	(1.7)
Investment tax credits	-	(.2)	(.1)	(.9)	(2.7)	(2.9)	(.3)
Other	(1.6)	(.3)	-	(.2)	-	-	-
Effective tax rate	21.6%	22.6%	22.3%	17.2%	22.3%	22.8%	28.7%

Deferred income taxes result from timing differences in the recognition of income for tax and for financial statement purposes. The tax effects of the principal elements of these differences are as follows:

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Interest income on Federal Savings and Loan Insurance Corporation secondary reserve	$54,567	$ 9,113	$12,773	$13,587	$ 8,705	$ 3,646	$ 2,395
Accrual income deferred for tax purposes, net	33,992	28,769	48,923	(3,435)	17,903	2,467	(5,783)
Costs of building demolition deducted currently on the tax return and capitalized as land cost for book purposes	-	-	-	37,193	-	-	-
Other differences	(22,259)	421	8,432	8,621	(3,587)	733	(943)
	$66,300	$38,303	$70,128	$55,966	$23,021	$ 6,846	$(4,331)

(C) For the five years ended December 31, 1975 and for the unaudited five-month periods ended May 31, 1975 and 1976, the depreciation and amortization expenses included in general and administrative expenses and real estate owned operations were as follows: 1971 - $46,653; 1972 - $52,694; 1973 - $81,430; 1974 - $122,360; 1975 - $153,136; May 31, 1975 - $49,447 and May 31, 1976 - $82,484.

(D) Weighted average numbers of shares outstanding (adjusted for the stock dividend) during the five years ended December 31, 1975 and the unaudited five-month periods ended May 31, 1975 and 1976 were as follows: 1971 - 434,444 shares; 1972 - 466,159 shares; 1973 - 550,790 shares; 1974 - 551,957 shares; 1975 - 538,643 shares; May 31, 1975 - 561,688 shares and May 31, 1976 - 559,005 shares. There were no common stock equivalents at May 31, 1976.

(E) Real estate revenue was as follows:

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Gain on sale of real estate held for investment	$12,584	$ 14,973	$ 19,408	$65,618	$ 4,200	$ 1,750	$1,750
Gain on sale of real estate acquired in settlement of loans, net of losses	38,711	92,637	34,155	37,603	82,620	16,309	2,451
Income (expense) on real estate owned operations, net (Note C)	28,300	10,622	17,810	(36,970)	(34,790)	(17,813)	(5,954)

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Deficiency judgments collected on foreclosed loans	$20,232	$ 39,970	$111,847	$28,339	$13,727	$ 8,138	$6,079
	$99,827	$158,202	$183,220	$94,590	$65,757	$ 8,384	$4,326

(F) Appropriated earnings consist of amounts allocated to debenture sinking fund, federal insurance reserve and specific reserves.

(G) During 1974, management determined that, due primarily to the continuing uncertainty of the stock market, a registration of stock for purposes of a public offering was no longer advisable at that time. Therefore, the accumulated costs were charged to operations resulting in a decrease in net earnings of $144,452, net of income taxes of $141,876 ($.26 per share).

(H) On May 14, 1976, the Company acquired 100% ownership of McKinley County Savings and Loan Association of Gallup, New Mexico. The results of operations of McKinley for the period May 14, 1976 to May 31, 1976 are included in the Consolidated Statements of Operations. There would not have been a significant effect on the consolidated results of operations had McKinley been included for 1975 and the five months ended May 31, 1976, as indicated by the following unaudited pro forma information:

	Year Ended December 31, 1975	Five Months Ended May 31, 1976
Revenues	$8,101,117	$3,887,634
Income before extraordinary item	$ 463,585	$ 236,293
Net earnings	$ 463,585	$ 236,293
Earnings per share of common stock	$ .86	$ .42

(I) Numerical note references are to Notes to Financial Statements included elsewhere herein.

Unaudited results of operations of the Company and its consolidated subsidiaries for the nine-month periods ended September 30, 1975 and 1976 are set forth below. In the opinion of management of the Company, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results of operations for the foregoing periods have been made.

	Nine Months Ended September 30,	
	1975 (Unaudited)	1976 (Unaudited)
Revenues	$5,772,272	$7,069,196
Net earnings	336,291	421,525
Net earnings per share of common stock	.60	.75

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED STATEMENTS OF OPERATIONS

The consolidated net earnings for the five-month period ended May 31, 1976, of $232,672, reflects an increase of 28%, or $50,704, over the five months ended May 31, 1975. The increase is due primarily to growth in the size of the earning asset base. The $706,280 increase in total income and $615,508 increase in total expenses (before taxes) equal 22.87% and 21.58%, respectively. Consolidated assets increased $21,379,665 to $121,322,054 which represents an increase of 21.39%. Total savings increased $20,512,938, or 22.83%, while the average cost of savings increased from 6.42% at May 31, 1975 to 6.54% at May 31, 1976. Loans increased $18,708,108, or 23.02%, while the average return on loans increased from 7.95% at May 31, 1975 to 8.02% at May 31, 1976. Approximately 15% of the total growth is attributable to the acquisition of McKinley on May 14, 1976. This acquisition added $3,313,858 to consolidated assets, $2,971,956 to consolidated savings and $2,389,318 to consolidated loans. However, McKinley contributed only $2,838 or approximately 1% to consolidated operations in 1976, as the results of its operations are included only for the period May 14, 1976 (date of acquisition) to May 31, 1976.

Interest received on loans increased $642,758 (25.05%) and loan and other fees increased $58,800 (39.03%). While the increase in average return contributed to the increase in interest received, the growth in the loan portfolio is primarily responsible for both of the above increases in 1976.

Although income on real estate in 1976 decreased by 48.4% over 1975, this represents only $4,058 and is not a major item in the consolidated statement of operations. The decrease is attributable to the fact that Sandia has disposed of substantially all real estate acquired in settlement of loans during the depressed period of the 1960's.

Other income increased 13.4%, or $1,699.

General and administrative expenses in 1976 increased $90,445, or 18.24%, primarily due to inflation and continuing expansion of the Company's activities.

Interest on savings increased $531,655, or 23.17%, in the five-month period ended May 31, 1976 as compared to the five months ended May 31, 1975. This is attributable both to the Company's continuing strong growth in savings and the fact that the entire savings and loan industry has experienced a gradual shift to the higher rate, longer term, savings instruments.

The 1976 decrease in interest on borrowed funds of $6,592 (10.76%) is due to the fact that all outstanding subordinated capital debentures of $737,656 were called and repaid on April 1, 1976. Income taxes increased 74.52% or $40,068 in the five-month period ended May 31, 1976 as compared to the five months ended May 31, 1975.

A comparison of the year ended December 31, 1975 and 1974 shows a 14.4% increase in total income to $7,961,925 and a 16.9% increase in total expenses (before taxes) to $7,357,858 while net income decreased from $567,210 to $469,510. During 1975, income taxes increased 17.83% to $134,557.

During 1975, interest received increased 17.4% to $6,586,027 and loan and other fees increased 18.8% to $425,056 while interest on savings accounts increased by 22.1% to $5,879,234. The weighted average interest received on loans decreased from 7.81% at December 31, 1974, to 7.78% at December 31, 1975, while average interest paid on savings increased from 6.27% to 6.49% during the same period. This adverse trend was caused by

the depression in the housing market during 1975 while the association was experiencing shifts in its savings to the longer term, higher rate, accounts. Income on real estate decreased 30.5% during 1975 to $65,757 because of the disposition of real estate owned. Other income increased $4,796 to $31,686. General and administrative expenses increased 18.7% to $1,330,601 as a result of expansion and inflation. During 1974, $286,328 of costs incurred in a previous stock registration effort were written off due to the generally poor condition of the equity securities market at that time, which resulted in the withdrawal of the Registration Statement.

During 1974, net income decreased $206,060, or 26.65% when compared with 1973. This was primarily because of the registration expenses of $286,328 which were written off. Interest on loans increased 25.4% to $5,611,877. Loan and other fees decreased 9.2% to $357,849 due to a highly competitive market while the housing industry was in poor condition. Income on investments increased 73.7% to $869,250 as funds normally used for lending were added to liquidity investments. Income on real estate decreased 48.4% to $94,590 due to the disposition of real estate owned. General and administrative expenses increased 11.4% to $1,120,905 due to expansion and inflation. Interest on savings increased 33.4% due to savings growth and higher average cost of savings. Interest on borrowings increased 34.0% to $71,257 due to the increase in advances from the Federal Home Loan Bank. Income taxes decreased 43.66% to $114,196 primarily due to the write-off of the registration expenses mentioned above. The extraordinary item of the carry-forward of prior years' operating losses decreased from $67,515 in 1973 to $15,862 in 1974.

BUSINESS

General

The business of the Company is the ownership of the outstanding capital stock of Sandia and McKinley. In 1964, the Company acquired Sandia, which at the time had two offices in Albuquerque. In 1972, Sandia acquired the rights to operate three additional offices from another association and now has a total of eight offices. Five of Sandia's eight offices are in Albuquerque and one each is in Clovis, Roswell and Las Cruces. Sandia has received approval for a sixth office in Albuquerque, which is expected to be opened in 1977. The Company acquired McKinley in May 1976. McKinley has two offices, one in Gallup and one in Farmington, New Mexico. Two other savings and loan associations have appealed to the New Mexico courts, the regulatory approval for the Farmington office. See "Business -- Regulation -- New Mexico Law".

The Company is registered as a savings and loan holding company under the Holding Company Act and is therefore subject to regulation, examination, supervision and reporting requirements. Because the Company has two savings and loan subsidiaries, it is subject to certain restrictions on its business activities applicable to a "multiple savings and loan holding company". See "Regulation -- Holding Company Regulation".

There have been state-chartered mutual savings and loan associations in New Mexico since 1907, and ten are presently operating. Federally-chartered associations, all of which are mutual, have been authorized since 1933 and there are nine currently operating in New Mexico. One of the federally-chartered mutuals is the only association in New Mexico larger than Sandia. There are laws authorizing capital stock associations in approximately twenty states. New Mexico's law became effective in 1960, the year Sandia was organized, and there are now sixteen state-chartered New Mexico capital stock associations, of which Sandia is the largest. (Source: Annual Report of the Department of Banking of New Mexico, 1975.) Recent federal regulations permit conversion of federal mutuals to capital stock associations and several have or are in the process of doing so.

The Company has had informal conversations relating to possible acquisitions of other savings and loan associations in New Mexico, although at present it has no contract, commitment or agreement in principle for any such acquisition. The Company expects to pursue these informal conversations and to continue to investigate the possibility of acquiring additional associations, although there is no assurance that the conversations are current or future investigations will result in acquisitions. Any such acquisitions by the Company will require the prior approval of the FSLIC. See "Regulation -- Holding Company Regulation".

Sandia Savings and Loan Association

Sandia was incorporated in New Mexico and commenced operations in 1960. After a merger with another association in 1968, it had three offices, all in Albuquerque. Sandia opened a fourth office in Albuquerque in 1970 and a fifth in 1975 and has received approval for a sixth to be opened in 1977. On March 31, 1972, Sandia purchased from another association the rights to operate additional offices in Clovis, Roswell and Las Cruces. These office locations are shown on the accompanying map of New Mexico.

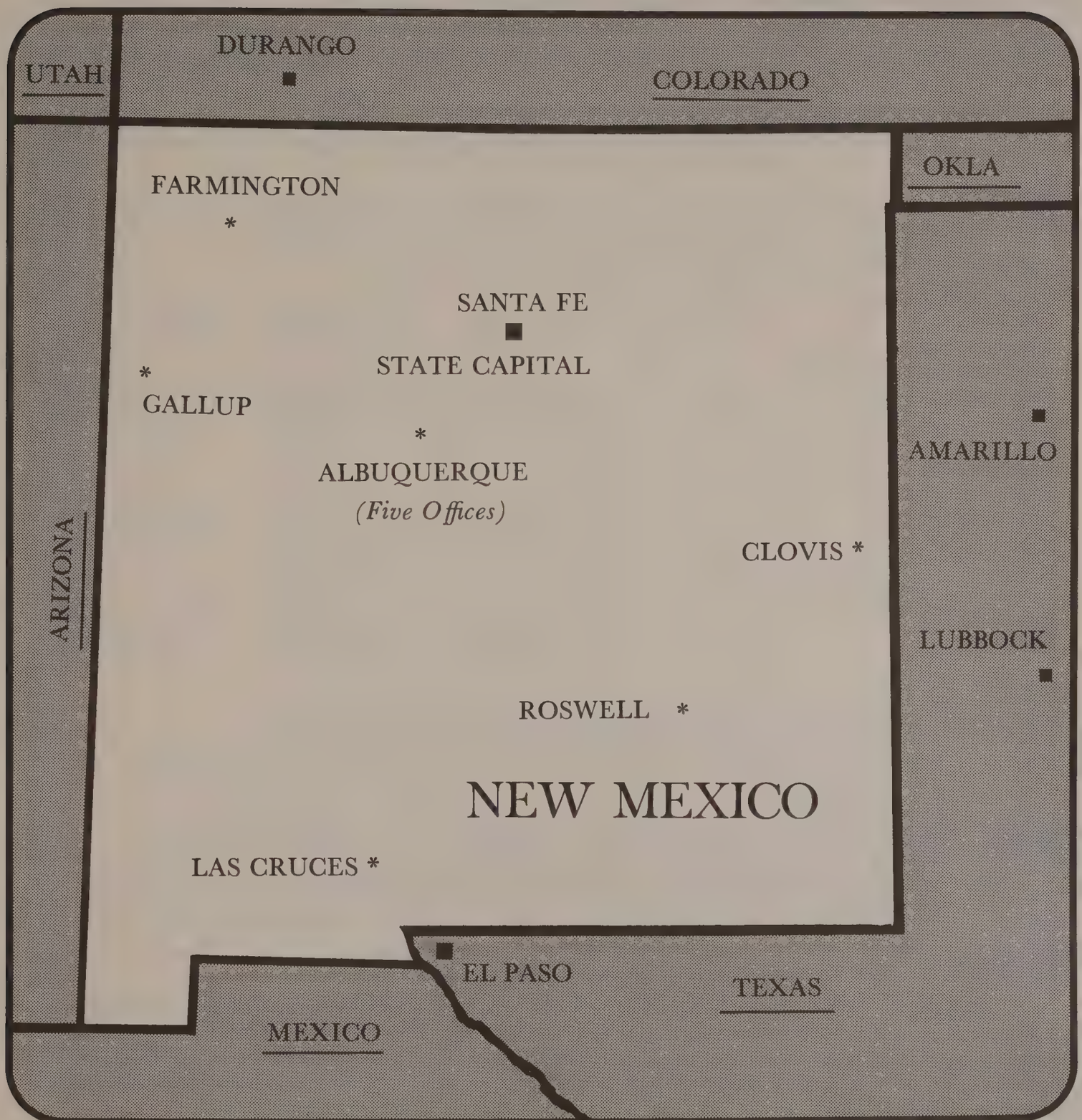
At May 31, 1976, Sandia had approximately 30,000 savings accounts and 4,900 loans. The following table sets forth certain information about Sandia as of the dates shown:

	At December 31,					At May 31,
	1971	1972	1973	1974	1975	1976*
Assets	$47,637,093	$60,486,393	$77,600,120	$90,677,605	$108,417,038	$122,695,881
Savings Deposits	43,464,059	56,905,100	71,460,943	82,264,901	99,380,678	110,373,715
Loans	37,039,035	50,685,881	65,588,513	76,711,485	91,279,099	99,979,532
Real Estate Owned:						
For investment	329,041	224,841	361,804	274,771	277,314	256,827
From settlement of loans	1,224,970	708,758	333,081	178,328	49,311	25,694
FHLB advances	-	-	-	925,950	1,172,950	1,172,950

*Includes McKinley

Market Area

Sandia is authorized to lend throughout New Mexico. State law generally requires new branches to be located within 100 miles of an association's main office. However, during March 1972, after approval of the Supervisor, Sandia purchased from another association rights to operate branch offices in Clovis, Roswell and Las Cruces, New Mexico, all of which are more than 100 miles from Sandia's Albuquerque main office. McKinley's offices are also more than 100 miles from Albuquerque and it will continue as a separate association, unless the law is changed. The accompanying map shows the McKinley offices. The regulatory approval for the Farmington office has been appealed to the Courts. See "Business -- Offices".



* INDICATES OFFICE CITIES

While Sandia has authority to make loans throughout New Mexico, five of its eight offices (accounting for more than 73% of its savings deposits and 89% of its loans) are in Albuquerque. Approximately one-third of the state's population is in the Albuquerque metropolitan area (Bernalillo County). At May 31, 1976, approximately 92% of Sandia's loans were secured by mortgages on residential property. The following table sets forth certain statistics for the State of New Mexico and the Albuquerque metropolitan area:

	Year		
	1960	1970	1975
Population (1)			
New Mexico	951,000	1,016,000	1,147,000(4)
Albuquerque area	262,000	316,000	365,200(4)
Deposits (2)			
Savings and Loan:			
New Mexico	$157,319,000	$449,368,000	$1,017,237,412
Albuquerque	54,853,477	180,944,000	468,570,190
Bank (Time and Savings):			
New Mexico	$159,809,000	$572,809,000	$1,261,127,159
Albuquerque area	64,464,000	226,226,000	501,910,253
Construction (3)			
New Mexico			
Residential	$ 83,646,000	$135,662,000	$215,600,000
Total	220,320,000	394,425,000	657,100,000
Albuquerque area			
Residential	$ 36,274,000	$ 90,475,000	$147,067,000
Total	55,537,000	137,094,000	203,768,000

(1) Source: Bureau of Business Research, University of New Mexico.
(2) Source: Department of Banking, Santa Fe, New Mexico. The 1960 amount shown for savings and loan deposits in the Albuquerque area is an estimate by the Company.
(3) Source: Construction Contracts Issued, compiled by F. W. Dodge Corporation, Region 8 Bulletin, McGraw Hill Information Systems.
(4) Source: Mid-year estimates made by the Bureau of Business Research, University of New Mexico.

Lending Activities

General. Loans made by Sandia provide its principal source of income in the form of interest paid by borrowers, loan fees and other fees. These loans are secured principally by first mortgages on real property. Sandia is also permitted to lend on the security of mobile homes and savings accounts, as well as to make home improvement loans and insured student loans, subject to limitations upon the amount and term of such loans. However, these types of loans in the aggregate constituted less than 3% of the total loans of Sandia at May 31, 1976. For limitations on Sandia's lending activities and requirements with respect to the quality of its loans, see "Regulation".

Borrowers are required to carry fire and extended coverage insurance in an amount at least equal to the amount of the loan. Certain risks, such as earthquake and flood damage, are uninsured.

For all real estate loans in amounts exceeding 80% of the appraised value of the security, Sandia, under present loan policy, obtains FHA, VA or private insurance as to repayment of the loans, either in full or as to the amount in excess of 80% of the value of the security.

Loan Portfolio. The following table contains information concerning the types of loans and security for loans in the portfolio of Sandia:

	At December 31,										At May 31,	
	1971		1972		1973		1974		1975		1976	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(Dollar amounts in thousands)											
Mortgage Loans:												
Residential:												
Single Family:												
Conventional	$23,182	63%	$31,438	62%	$45,304	69%	$55,207	72%	$65,258	72%	$71,260	71%
FHA	2,447	7	2,604	5	2,499	4	2,521	3	2,482	3	2,912	3
VA	650	2	622	1	617	1	633	1	623	1	728	1
Two to Four Family	4,042	11	7,517	15	7,347	11	6,548	9	7,572	8	7,410	8
Over Four Family	3,928	10	5,479	11	5,883	9	6,600	9	7,419	8	9,333	9
Commercial	1,206	3	1,553	3	2,543	4	2,914	4	4,068	4	4,211	4
Land	438	1	439	1	190	-	214	-	2,116	2	2,188	2
G.N.M.A. Passthrough Certificates	-	-	-	-	-	-	250	-	-	-	-	-
Total Mortgage Loans	$35,893	97%	$49,652	98%	$64,383	98%	$74,887	98%	$89,538	98%	$98,042	98%
Other Loans:												
Mobile Homes	$ 877	2%	$ 594	1%	$ 571	1%	$ 512	1%	$ 447	1%	$ 424	1%
Savings Accounts	206	1	394	1	604	1	1,123	1	1,118	1	1,332	1
Home Improvement	28	-	18	-	11	-	36	-	38	-	36	-
Insured Student and Other	35	-	28	-	20	-	153	-	138	-	145	-
Total Other Loans	$ 1,146	3%	$ 1,034	2%	$ 1,206	2%	$ 1,824	2%	$ 1,741	2%	$ 1,937	2%
Total All Loans	$37,039	100%	$50,686	100%	$65,589	100%	$76,711	100%	$91,279	100%	$99,979	100%

Sandia may sell loans, in whole or in part, without recourse, for the purpose of obtaining a profit on resale or providing funds for additional lending. These sales may be to other financial institutions, to the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association and the Federal National Mortgage Association. While there exists among these entities and other investors a "secondary mortgage market" for purchases and sales of mortgage loans, Sandia has not been active in purchasing loans from these sources and loans have been sold only when the proceeds of sales could be used to originate new loans at higher rates of return. The changes in the loan portfolio of Sandia during the periods shown were as follows:

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976
Loans Originated:						
Existing structures	$4,071,059	$15,219,630	$16,398,525	$12,731,262	$13,936,123	$5,998,216
Construction	5,549,875	5,341,938	3,189,455	1,649,512	3,358,863	1,602,500
Other	656,684	392,300	8,600	268,060	270,190	262,676
Loans of acquired subsidiary	-	-	-	-	-	2,364,927
Loan participations purchased	-	-	-	-	-	37,523
Loans purchased	-	-	-	198,487	-	-
Loan participations sold	-	-	-	(519,432)	-	-
Other loans sold	(1,081,708)	-	-	(208,387)	-	-
Loans refinanced	260,850	419,650	65,600	717,210	2,651,400	1,399,300
Loan repayments	(5,806,483)	(7,447,231)	(4,889,221)	(4,247,038)	(5,494,166)	(3,160,595)
Loans foreclosed or defaulted	(477,537)	(166,317)	(42,454)	(86,191)	(71,918)	-
Net increase in mortgage loans	$3,172,740	$13,759,970	$14,730,505	$10,503,483	$14,650,492	$8,504,547

The substantial increase in loans originated since 1971 is due primarily to increases in savings deposits, which enabled Sandia to expand its lending activities. At May 31, 1975 and May 31, 1976, the amounts of loans committed by Sandia but not yet closed were $486,750 and $1,146,225, respectively. The term "loans refinanced" refers to loans on existing dwellings which replace earlier loans without a sale having occurred. The amount in this category reflects changes in the level of new home construction and existing home values.

Interest rates on real estate loans are subject to fluctuation in relation to long-term interest rates generally. The monetary policy of the Federal Reserve System and other agencies of the United States government, the fiscal policy of the United States government and money market conditions substantially affect long-term interest rates. Sandia is subject to New Mexico's usury law, which limits interest rates on secured loans to other than corporate borrowers to 10% per year. Sandia has not experienced substantial opportunities to make loans at interest rates which would otherwise be over 10%. The average annual yield on Sandia's outstanding loan portfolio, including the interest differential retained on loan participations sold, and the average cost to Sandia of money used for lending activities is shown in the following table:

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976
Weighted average interest received	6.76%	7.08%	7.51%	7.81%	7.78%	8.02%
Weighted average interest paid:						
Savings accounts	5.36	5.45	5.63	6.26	6.47	6.54
Borrowings*	6.29	7.00	7.00	7.13	7.86	7.97
Savings accounts and borrowings combined	5.38	5.47	5.64	6.27	6.49	6.56
Difference between weighted average interest paid and received	1.38	1.61	1.87	1.54	1.29	1.46

*Includes interest on Federal Home Loan Bank borrowings and interest on debentures.

The weighted average stated interest rate on loans funded during the first five months of 1976 was 8.93%. (This is the average interest rate of all loans, as stated in each mortgage, weighted by the amount of each loan.) The weighted average stated interest rate on new savings accounts, including transfers from lower rate accounts, opened during that five-month period was 6.96%, so that the spread between those rates for that period was 1.97%.

Delinquencies and Scheduled Items. When a borrower fails to make a loan payment, the loan is considered delinquent. Ten days thereafter a late charge is imposed and collection procedures are initiated. In most cases, a delinquency is cured by payment of the overdue installment within a month, and in many other instances a negotiated settlement of the default is reached.

Unlike some other states, New Mexico permits a lender to obtain a "deficiency judgment" against a borrower so that, if the real property securing the loan is foreclosed and sold for an amount less than the balance due on the loan, a judgment can be obtained against the borrower for the difference. Deficiency judgments may be made liens on property owned by the borrower and collected at any time within 14 years, if proper steps are taken to record the judgment and to extend the lien. Real estate owned by Sandia as the result of foreclosure is sold as quickly as real estate market conditions permit. Ralph Melbourne, a vice-president of the Company and Sandia, is a real estate broker, but properties to be sold are also entered in the multiple listing services. Any brokerage commissions accruing to Mr. Melbourne are for the account of the Company and do not affect his compensation.

Of the approximately 2,970 loans originated by Sandia since the installation of new management in February 1969, only four have necessitated foreclosure proceedings and three have resulted in Sandia's acquiring real property in settlement of delinquent loans.

The following table sets forth information relating to Sandia's "scheduled items" (defined below):

	At December 31,					At May 31,
	1971	1972	1973	1974	1975	1976*
Slow loans	$ 66,518	$ 69,653	$ 44,095	$ 65,570	$ 44,674	$ 28,744
Real estate acquired in settlement of loans	1,510,606	953,203	333,081	193,007	49,311	25,694
Loans to facilitate	485,215	425,083	196,778	180,914	38,933	35,404
Total scheduled items	$2,062,339	$1,447,939	$573,954	$439,491	$132,918	$ 89,842
Scheduled items as a percentage of:						
Specified assets	5.69%	2.93%	.86%	.56%	.14%	.09%
Total assets	4.32%	2.34%	.74%	.48%	.12%	.07%

*McKinley had no scheduled items at May 31, 1976.

For certain regulatory purposes, the FHLBB has defined "scheduled items" to mean (i) certain slow loans (generally, loans which are contractually delinquent for 60 or 90 days, depending upon their age and payment history, loans where property taxes are unpaid for two or more years, loans which have been modified or refinanced within the past year while delinquent and loans for terms beyond those permitted by regulation), (ii) real estate owned as a result of foreclosure or acquired by deed in lieu of foreclosure, (iii) real estate owned on which the contract purchaser has defaulted and the contract has been cancelled, (iv) real estate sold on contract, or by loan, where the unpaid principal balance exceeds that permitted under otherwise applicable lending limitations or exceeds 80% of the value of the security, or where the unexpired portion of the term exceeds 30

years ("loans to facilitate"), (v) investment securities upon which one or more interest payments due have not been paid, (vi) deposits in a bank or accounts in a savings and loan association under control or in possession of supervisory authorities, (vii) real estate acquired in exchange for any of the foregoing and (viii) real estate otherwise a scheduled item which has been transferred by an insured association to a corporation in which it has an investment. It has defined "specified assets" as the total assets of an insured association less its cash (limited to cash on hand, unpledged demand deposits in banks not under control or in possession of supervisory authorities, and unpledged deposits in the FHLB), obligations guaranteed as to principal and interest by the United States, obligations of, or guaranteed by, the Federal Home Loan Mortgage Corporation, FHLB stock, prepaid FSLIC premiums, loans in process, loans on the security of an association's savings accounts and investments (other than capital stock) of up to $40,000 per institution in other institutions insured by the FSLIC and less 80% of an association's investments in insured loans, guaranteed loans and loans secured by a first lien on low-rent housing. For a description of the significance of "scheduled items" for regulatory purposes, see "Regulation".

Savings Deposits

Under New Mexico law, Sandia may issue either savings passbooks or savings certificates. Each depositor signs a savings contract and may withdraw savings within 30 days of making a written request, provided Sandia is able to pay all withdrawal requests within that period. However, as is common in the savings and loan industry, it will continue to be the policy of Sandia to pay withdrawals immediately upon request.

Sandia pays interest on savings deposits at the maximum rates, compounded daily, permitted by the FHLBB regulations. See "Regulation". Effective in July 1973, and again in November 1973, the FHLBB revised its regulations for maximum rates and Sandia immediately offered accounts at new rates. Under the current regulations, Sandia now offers several types of accounts. Passbook accounts from which savings may be withdrawn at any time bear interest at 5-1/4%. Certificate accounts are reduced to 5-1/4% if there are withdrawals before maturity which bring the balance below the required minimum. In addition, interest for one quarter is lost if there are withdrawals before 90 days for 5-3/4% certificate accounts, before one year for 6-1/2% certificate accounts, before 30 months for 6-3/4% certificate accounts, before four years for 7-1/2% certificate accounts and before six years on 7-3/4% certificate accounts. Certificate accounts require a $1,000 minimum balance. FHLBB regulations permit up to 10% of total savings to be in certificate accounts at negotiated rates with minimum maturities of 30 days and minimum balances of $100,000 (only $40,000 of which would be insured by the FSLIC). Sandia may accept negotiated rate accounts, depending upon the interest rate which can be negotiated and other factors. As shown by the following table of Sandia's savings accounts by types of savings passbooks and savings certificates, the relative amount of longer term, higher interest rate accounts has increased in recent years:

	At December 31,						At May 31,	
	1973		1974		1975		1976	
	Amount	%	Amount	%	Amount	%	Amount	%
5-1/4% Passbooks	$28,306,893	40%	$27,808,083	34%	$31,733,871	32%	$ 35,071,773	32%
Certificates:								
Three Month - 5-3/4%	928,207	1	1,023,394	1	2,277,035	2	2,397,814	2
One Year - 5-3/4%	3,519,305	5	820,005	1	453,319	-	330,915	-
Two Year - 6%	23,810,194	33	10,973,277	13	2,914,578	2	2,154,856	2
One Year - 6-1/2%	4,369,451	6	10,107,018	12	14,664,219	15	16,916,911	15

	At December 31,						At May 31,	
	1973		1974		1975		1976	
	Amount	%	Amount	%	Amount	%	Amount	%
Certificates:								
Two Year - 6-1/2%	$ 392,532	1%	$ 419,501	- %	$ 163,689	- %	$ 164,855	- %
Thirty Month - 6-3/4%	2,037,127	3	4,511,274	6	6,761,968	7	6,185,119	6
Four Year - 6-3/4%	154,252	-	169,598	-	173,618	-	154,538	-
Four Year - 7%	1,475,461	2	1,430,910	2	1,456,418	2	1,464,437	1
Four Year - 7-1/4%	3,559,056	5	3,698,399	5	3,743,911	4	3,754,279	4
Four Year - 7-1/2%	2,806,428	4	21,128,025	26	28,524,725	29	31,614,663	29
Six Year - 7-3/4%	-	-	63,125	-	6,513,327	7	10,163,555	9
One Year - 8-1/4%	102,037	-	112,292	-	-	-	-	-
Total Deposits	$71,460,943	100%	$82,264,901	100%	$99,380,678	100%	$110,373,715	100%

During the first five months of 1976, total savings deposits increased by $10,993,037. The increase during the first five months of 1975 was $7,595,876.

Holders of savings passbooks and certificates of Sandia are not entitled to voting rights nor to participate in dividends on capital stock. The amount of savings deposits which Sandia may accept is indirectly limited by New Mexico law (see discussion under "Regulation").

The following table shows the number and amount of savings by size of account:

	At December 31, 1975		At May 31, 1976	
	No. of Accts.	Amount	No. of Accts.	Amount
$0 to $40,000	27,910	$96,887,144	30,005	$107,011,130
$40,001 to $100,000	24	1,187,508	44	2,466,345
$100,001 and over	8	1,306,026	3	896,240
	27,942	$99,380,678	30,052	$110,373,715

The average size of savings deposits was $3,673 at May 31, 1976.

At May 31, 1976, Sandia had less than 5% of total savings from outside New Mexico, none of which was obtained through brokers.

Regulation

Savings and loan associations and holding companies are subject to extensive governmental regulation. Many of their activities require prior approval to be obtained or reports to be filed with governmental agencies. Several types of activities are prohibited and there are examinations at least annually to test compliance by an association with the various regulatory requirements.

This supervision and regulation is intended primarily for the protection of depositors. There are changes in these regulations from time to time, reflecting both governmental monetary policies and national economic factors, as well as conditions in the savings and loan and housing industries.

Federal Home Loan Bank System. Sandia is a member of the Federal Home Loan Bank System, which provides a central credit facility for member savings and loan associations and other home financing institutions. Sandia is required to acquire and hold shares of capital stock in the FHLB of Little Rock in an amount equal to at least one percent of the aggregate principal amount of unpaid home mortgage loans, home purchase contracts and similar obligations at the beginning of each year.

Advances from the FHLB are primarily for the purpose of maintaining an adequate level of funds in savings and loan associations to meet home financing needs. Advances from the FHLB are generally secured by capital stock of the FHLB, home mortgage loans and United States government obligations. The FHLB may advance to Sandia the lesser of 50% of its outstanding savings deposits or 50% of its net assets (as defined by the FHLBB). The FHLB has the authority to make (but is not making under current policy) aggregate advances in an amount up to 25% of savings accounts, so long as an association maintains its ratio of scheduled items to total assets at less than 2%. Should that ratio be greater than 2%, the maximum advances available from the FHLB would decline as a percentage of savings deposits. If the ratio of scheduled items to total assets is 5% or more, advances are limited to 2.5% of savings deposits. The line of credit is reduced by borrowings from any other source, including funds loaned to or deposited with Sandia by the Company. Regardless of these percentage limitations, Sandia may borrow (at less favorable terms) for purposes of offsetting any significant withdrawals of savings deposits.

The interest rate on funds borrowed from the FHLB is subject to change at any time. During 1975 the highest rate for 90-day advances was 7.75%. The rate for 90-day advances at May 31, 1976 was 7.25%. At May 31, 1976 Sandia had advances of $1,172,950 from the FHLB of Little Rock at an average rate of 8.24%.

The FHLBB currently requires a savings and loan association to maintain liquidity (cash, United States government securities and certain obligations) equal to a monthly average of at least 7% of its savings deposits plus current borrowings. This liquidity requirement may be changed from time to time by the FHLBB to any amount between 4% and 10%. At May 31, 1976, the liquidity of Sandia was 10%.

The FHLBB permits an association to issue unsecured debentures in an aggregate amount of up to 50% of its net worth if certain financial ratios are met and the debentures are subordinated to savings accounts. Depending upon the demand for loan funds and the interest rates which can be negotiated, Sandia may issue such debentures, although no such issuance is presently planned.

Federal Savings and Loan Insurance Corporation. Sandia's savings deposits are insured by the FSLIC to a maximum of $40,000 for each insured holder. Insurance of deposits subjects Sandia to regulation and examination by the FSLIC and the FHLBB. The FSLIC requires an annual audit by independent accountants and also makes its own examination. It may revalue assets of an association, based upon appraisals, and require establishment of specific reserves in amounts equal to the difference between such revaluation and the book value of the assets.

The FSLIC requires associations to maintain a federal insurance reserve at a minimum level determined as a percentage of the average amount of savings deposits during the preceding five-year period. The percentage increases each year to a maximum of 5% after an association has been insured 20 years. This reserve is available only for absorbing losses. The net worth of an association (the sum of its general reserve accounts, undivided profits, surplus, capital stock and other non-withdrawable accounts) is required, at each year-end, to be at least equal to the then applicable federal insurance reserve

requirement plus 20% of "scheduled items". The FSLIC may also require credits to the federal insurance reserve of up to 10% of an association's net income, but this requirement has been indefinitely suspended. Any association which fails to meet these reserve or net worth requirements is subject to FSLIC control in setting interest rates on savings deposits and in paying dividends on its capital stock. At December 31, 1975, Sandia was in compliance with the federal insurance reserve requirement.

The annual premium charge for FSLIC insurance is one-twelfth of 1% of the total amount of savings deposits. Prepayment of insurance premiums may be required if total reserves of the FSLIC do not meet certain statutory levels. The FSLIC can also assess additional premiums, up to one-eighth of 1% of the total savings deposits, to meet losses and expenses, and it can also require deposits with it by associations of up to 1% of the total amount of savings deposits.

In December 1968, the Company and the FSLIC entered into a settlement agreement to facilitate a merger. The settlement agreement required new management, and the present officers and directors of Sandia were thereafter approved by the FSLIC. In accordance with the settlement agreement, $500,000 was added to Sandia by issuance of its subordinated debentures and 50,450 shares of the Company's common stock were issued for cash, which was contributed to the capital of Sandia. The settlement agreement also restricted Sandia from paying any dividends on its capital stock if its net worth after the dividend would be less than 8% of its "specified assets". Sandia requested termination of the settlement agreement and, in October 1973, the FHLBB adopted a resolution approving that request, provided that all appraisals in connection with Sandia's new mortgage loans or real estate acquisitions must be made by members of a professional society. The 8% restriction on payment of dividends had been included in Sandia's by-laws, which may be changed only with the consent of the FSLIC. Sandia has no present intention to attempt such a change. At 8% of "specified assets", Sandia's required net worth would be $8,109,473 compared to net worth at May 31, 1976 of $3,838,386.

Holding Company Regulation. The Company is a savings and loan holding company as defined in the Holding Company Act and, therefore, is itself subject to the regulation, examination, supervision and reporting requirements of the FSLIC.

A savings and loan holding company may not (1) engage in any activity or render any service for or on behalf of a subsidiary association for the purpose or with the effect of evading any law or regulation applicable to that association; (2) without prior approval of the FSLIC, acquire control of any other savings and loan association or savings and loan holding company, or substantially all the assets of either; or (3) without prior approval of the FSLIC, assume any debt or issue, sell, renew or guarantee any debt security whenever that debt, together with all other outstanding debts, would exceed 15% of consolidated net worth at the end of the preceding year. While this last restriction does not apply to a "diversified" savings and loan holding company, it is not expected that the Company will meet the definition of that term. For this purpose "debt security" includes any agreement by which a holding company may become primarily or contingently liable for the present or future payment of money.

Because it has more than one savings and loan association subsidiary, the Company is a "multiple" savings and loan holding company. As such, the Company's activities are restricted to: (1) furnishing or performing management services for a subsidiary association; (2) conducting an insurance agency or an escrow business; (3) holding, managing or liquidating assets owned by or acquired from a subsidiary association; (4) holding or managing properties used or occupied by a subsidiary association; (5) acting as trustee under a deed of trust; and (6) furnishing or performing such other services or engaging in such other activities incidental to the operations of

subsidiary associations as may be approved by the FSLIC. The Company does not presently engage in any activities except those permitted to a multiple savings and loan holding company.

An association which is a subsidiary of a savings and loan holding company may not: (1) invest its funds in an affiliate; (2) accept securities of an affiliate as collateral for loans; (3) purchase securities or other assets or obligations under repurchase agreements from an affiliate; (4) make (except in certain circumstances) any loan, discount or extension of credit to an affiliate or third party on the security of any property acquired from an affiliate or with knowledge that the proceeds thereof are to be paid to or utilized for the benefit of any affiliate; (5) guarantee any loan or extension of credit to an affiliate; or (6) without prior approval of the FSLIC, engage in any transaction with an affiliate involving the purchase, sale or lease of property or assets (other than permissible participating interests in mortgage loans), or enter into any agreement or understanding whereby such affiliate will render management or advertising services, serve as a consultant, advisor or agent or render services of any other nature, or make any payments pursuant to any such agreements or understandings which have been approved by the FSLIC if the aggregate compensation (a) for such transactions or services during the preceding 12-month period, or (b) to be paid in the future under all such agreements or understandings, is in excess of the lesser of $100,000 or 0.1% of an association's total assets at the end of the preceding fiscal year. An association must give the FSLIC at least 30 days' advance notice of any proposed declaration of dividends on its capital stock.

Except with the prior approval of the FSLIC, no director or officer of a savings and loan holding company, or any person owning or controlling, by proxy or otherwise, more than 25% of such company's common stock may also serve as a director, officer or employee of, or acquire control of, any insured association (other than a subsidiary association) or any other savings and loan holding company.

New Mexico Law. New Mexico statutes authorizing capital stock savings and loan associations became effective in 1960, the year in which Sandia and McKinley obtained their charters. The New Mexico Savings and Loan Act (the "Act") provides for regulation by the Supervisor, who is appointed and supervised by the New Mexico Commissioner of Banking. The Act also permits charters for mutual associations. For approval of an application for a charter, there must be pledges of certain minimum savings account amounts and, for capital stock associations, required levels of paid-in surplus and operating funds. These levels increase with the population of the area to be served by the proposed association. The Act permits a capital stock association to sell capital debentures, with the approval of its stockholders and the Supervisor, and subject to a limit of 75% of an association's net worth. The opening of a branch office requires approval of an application by the Supervisor. See Note 4 of the Notes to Financial Statements of New Mexico Financial Corporation. New branch offices generally are limited by statute to a radius of 50 miles from the principal office of the association and each branch requires that an association maintain a specified level of net worth. The mileage limitation has been extended to 100 miles by regulation.

Among the Act's requirements for an association are (1) access by a depositor or borrower to an association's records relating to his savings deposits or loan, (2) establishment of special loss reserves based upon the Supervisor's determination of the value of assets, and (3) publication in a local newspaper of an association's annual financial statement.

Real estate loans of a New Mexico association are limited to 80% of the appraised value of the real estate plus the value of any savings account in the association or any other first mortgage real estate loan pledged as additional collateral, except that up to

30% of the total assets may generally be invested in loans which do not exceed 90% of the appraised valuation of single family residences. Loans on non-residential real estate are limited to 75% of the appraised valuation. The Act limits the term of real estate loans to 30 years. Appraisal procedures are specified by the Act and fire and extended coverage insurance is required for the real estate improvements. The Act authorizes an association to pay taxes, insurance premiums and other charges for the protection of its interests in real estate security, which advances may be treated as an asset earning interest. Charges against the borrower are authorized for expenses relating to the making and maintaining of the loan, as well as penalties for prepayments or late payments.

Additional investments are authorized by the Act in certain securities, in real estate upon which an association's office is or will be located and in real estate for investment or development, up to an aggregate value of 5% of the association's total assets.

Regulations under the Act require certain levels of net worth as a percentage (depending upon the number of years since the association commenced business) of the average savings deposits over the preceding five years.

If, because of operating losses, required transfers to loss reserves or an increase in the amount of deposits, an association's net worth is not at least equal to the requirement as calculated under the regulations, the Act provides that an association may not accept new accounts or additional funds in existing accounts, nor may it pay dividends on its capital stock. For this purpose, "net worth" includes subordinated debentures and specific loss reserves. Sandia met this requirement at May 31, 1976, with net worth of $4,419,156 compared to a required level of $3,588,793.

The Supervisor causes an association to be examined at least once a year, without notice. In addition, an audit by an independent public accounting firm can be required, at the expense of the association. The Supervisor may accept the FSLIC annual examination or make his own examination, separately or in conjunction with that examination. The Supervisor may issue an order demanding the discontinuance of any violations of the Act or his regulations that he finds. An association so ordered may request a public or private hearing on the matter. After a hearing, or if no hearing is requested, the Supervisor may obtain the appointment of a receiver for an association from the New Mexico courts upon a finding that the association's assets have a fair value less than its savings accounts and other liabilities, or that the association is in violation of any final order of the Supervisor and the alleged violations cannot otherwise be corrected.

Regulations under the Act limit the amount of loans to any one borrower, require an association to make monthly reports to its Board of Directors and the Supervisor on a form prescribed by the Supervisor, permit investment by an association in a corporation which provides the association with services, and include certain other requirements and restrictions. Sandia has such a wholly owned service corporation, in which it has an investment of $21,700.

Under an amendment to the Act effective in June 1973, New Mexico associations possess such additional rights, powers, privileges, immunities and exceptions which the Supervisor may grant, extend and provide for by regulations, provided that such additional rights, powers, privileges, immunities and exceptions are also possessed by federally-chartered associations, at the time the Supervisor may promulgate regulations to such effect. By that amendment, New Mexico associations are also controlled to the same extent that federally-chartered associations are controlled in those instances where state regulations are less restrictive than federal regulations. To date, the only regulation promulgated under the new law extends from 50 miles to 100 miles the permitted distance of branch offices from an association's home office. As mentioned in the following paragraph, that regulation has been challenged in the courts.

The pending appeal has been resolved.

By virtue of new legislation, McKinley is permitted to operate a branch office in Farmington, New Mexico in conformity with all regulatory requirements.

The Act requires every capital stock association to maintain a net worth totaling at least 5% of its total savings liability or at the discretion of the Supervisor to build up its federal insurance reserve or loss reserve accounts pursuant to regulations issued by the Supervisor. The Supervisor has issued regulations which permit capital stock associations twenty years to build up these reserves and net worth accounts.

New Mexico capital stock associations have the same capital requirements as required of insured institutions. Under FSLIC requirements, an insured savings and loan association must maintain a federal insurance reserve for use solely to absorb losses. This reserve may not be used for dividends on stock or for interest on savings deposits. The amount of the reserve must equal a certain percentage (based on how long the savings and loan association has been an insured association and ranging up to 5%) of either the amount of such association's savings deposits on a specified annual "closing date" or an average of the amounts on the closing date and up to four consecutive preceding closing dates ("averaging method"). The federal insurance reserve requirement is calculated and required to be met only on an annual basis (for Sandia Savings, at December 31 and for McKinley Savings, at December 31,). At December 31, 1975 both institutions met their federal insurance reserve requirement and their state requirements using the averaging method.

In the event any net worth requirements are not met by an association, the Act provides the Association may not accept new accounts or additional funds in new accounts. Dividends to permanent capital stockholders are restricted if the dividend would exceed 50% of its current net earnings after payment of interest on savings and transfers to reserve accounts or would reduce the net worth below the required net worth level.

Taxation

Savings and loan associations are subject to federal income tax as in the case of other corporations. Although the general principles utilized in determining a corporation's taxable income are applicable, the Internal Revenue Code of 1954 provides certain exceptions and special rules to be used in the taxable income computation for savings and loan associations. These exceptions and special rules, as they apply to Sandia, principally govern additions to reserves for bad debts and deductions for amounts paid to, or credited to the accounts of, depositors or holders of accounts as dividends or interest on their deposits or withdrawable accounts.

Federal income tax deductions for additions to reserves for bad debts were severely limited by the Tax Reform Act of 1969. With respect to bad debt reserves for qualifying loans (generally, loans secured by an interest in real property), Sandia has elected, out of several alternatives, to determine the amount of the deduction by the percentage of taxable income method. Generally, the percentage method allows an association to deduct an

amount for losses on qualifying real estate loans equal to a specified percentage of taxable income before gains or losses on loans and property acquired in settlement of loans. Such amount is reduced by losses on non-qualifying loans recognized during the taxable year. When the balance of the loss reserve for qualifying loans exceeds 6% of qualifying loans outstanding at the end of the taxable year, no further allocations to the bad debt reserves are deductible. The specified percentage was 60% for taxable years beginning in 1969, will be 43% for 1976 and will decline to 40% by 1979, the effect of which is to subject an association to progressively higher levels of income tax. Once the total of reserves, surplus and undivided profits exceeds 12% of the total deposits or withdrawable accounts of depositors, no further allocations to the bad debt reserves are deductible. The full availability of this percentage method is dependent upon an association's meeting certain requirements as to the type of assets it owns and income it earns. With respect to bad debt reserves for non-qualifying loans, additions will be computed on the actual experience method. The amount by which additions to bad debt reserves exceed the amounts that would have been allowable if an association had maintained its reserves for all taxable years on the basis of its own actual bad debt loss experience will be treated as a tax preference item.

Earnings appropriated to tax bad debt reserves of associations are not available for payment of cash dividends or for distributions to shareholders, including distribution on dissolution or liquidation, without a transfer from the appropriate reserve and payment of Federal income taxes on an amount which, when reduced by the taxes so incurred, equals the amount paid or distributed. At May 31, 1976, the tax bad debt reserve of Sandia was approximately $2,006,000, or approximately 2% of qualifying loans.

Under New Mexico tax law, the Company pays a tax equal to 6% of its federal taxable income, adjusted for income from certain governmental securities.

Offices

Following is information concerning the headquarters office building of the Company, and the offices of Sandia:

Albuquerque Headquarters Office Building. The headquarters office of the Company and of Sandia is in the 13-story Sandia Savings Building in downtown Albuquerque. In August 1973, Sandia purchased the land and building for $1,792,770, including fees and closing costs. The building, which was completed in 1955, has undergone expansion and remodeling, including the addition of parking facilities to accomodate 224 cars and an additional 15,171 square feet of ground floor rental space, bringing the total rentable space to 94,788 square feet. The building is 95% occupied. The expansion was completed on an adjacent parcel of approximately 7,100 square feet owned by Sandia and another adjacent parcel of the same size which they leased for 25 years with renewal options for another 25 years at $15,000 per year for the first five years and increasing by $450 per year thereafter. The expansion and remodeling costs were $2,236,565. The purchase price was primarily financed by a $1,575,000 first mortgage loan from the Mutual Insurance Company of New York. The term of the loan is 24 years at an annual interest rate of 8-3/4%. See "Capitalization". The expansion costs were funded from operating cash flow.

Albuquerque-Menaul. Sandia leases an office of approximately 2,000 square feet at 5100 Menaul, N.E. The lease expires in 1980 with two six-year options at an annual rental of $10,800 plus cost of living adjustments.

Albuquerque-Wyoming. Sandia owns a building of approximately 2,000 square feet on leased land at 2274 Wyoming Boulevard, N.E. The ground lease, which expires in 1988, provides for an annual rental of $4,800.

Albuquerque-Eubank. Sandia has leased an office building of approximately 2,000 square feet at 2900 Eubank Boulevard, N.E., until 1980. Rental is $9,300 per year.

Albuquerque-Zuni. Sandia has leased an office building of approximately 2,000 square feet at the corner of Zuni and Washington, S.E. The lease expires in 1990 with two five-year options at an annual rental of $16,668.

Albuquerque-Academy. The sixth Albuquerque office, expected to be opened in late 1977, will be located near Wyoming and Academy Boulevard, N.E., on a site to be selected. It is contemplated that Sandia will lease the land and building to be constructed on the site.

Clovis. Sandia has leased approximately 2,400 square feet in a building constructed in 1974. The lease is for a period of 15 years, with three five-year renewal options. Rental is $12,092 per year.

Roswell. In 1973, Sandia purchased a building for $51,000 in which it occupies approximately 1,000 square feet of a total of approximately 2,800 square feet. The balance of the building is leased to other tenants.

Las Cruces. In 1972, Sandia purchased land and constructed a building containing approximately 2,500 square feet, at a cost of approximately $145,000. The office moved to this location in February 1973. The portion of the premises not needed by Sandia is leased to others.

McKinley Headquarters Office. McKinley leases an office of approximately 1,290 square feet in Gallup at the corner of Mollica and Aztec in the Foodway Shopping Center. The lease will expire in 1982 and provides for an annual rental of $4,344.

Farmington. McKinley recently purchased the corner of Lee and Twentieth Street at a price of $39,000 and constructed an office building of approximately 2,000 square feet at a cost of approximately $65,000. The new office was opened in September 1976. Two other savings and loan associations have appealed the Supervisor's grant of permission to open this office, but the Court has issued no stay pending resolution of the appeal. See "Business -- Regulation -- New Mexico Law".

Competition

Savings and loan associations compete with other businesses both in obtaining savings deposits and in making real estate loans. Competition for savings deposits is primarily from other savings and loan associations and banks and, to a lesser extent, from credit unions and corporate and government debt securities. At the present time, banks are generally limited to lower interest rates on savings accounts than savings and loan associations. However, fluctuations in these limits and in unregulated interest rates can result in disintermediation of savings. Government securities may become more available in lower denominations and compete increasingly with savings accounts. Competition for real estate loans is primarily from other savings and loan associations, mortgage companies and banks.

The President's Commission on Financial Structure and Regulation (the "Hunt Commission") issued its report in December 1971. In 1973, the Administration sent to Congress proposals based upon the Hunt Commission Report which would make extensive changes in the regulation of interest rates, reserve requirements, taxation and permitted activities of savings and loan associations, banks and other financial institutions. While no legislative action has resulted, the proposals have not been withdrawn. The effect on the Company of any or all of these proposals becoming law can not now be anticipated.

Employees

The Company has 70 employees, none of whom is represented by any collective bargaining group. 49 are employed as tellers, loan officers, accounting and executive personnel and in other office functions. Sandia employs 21 persons in the operation of the Albuquerque office building. The Company considers its employee relations to be excellent.

MANAGEMENT

Officers and Directors

The executive officers and directors of the Company are as follows:

Name	Office
Graham R. McNary*	Chairman of Board of Directors
James K. Trump*	President and Director
John L. Boynton	Vice-President and Director
Ralph Melbourne	Vice-President
James H. Ruland	Secretary-Treasurer
Bill C. Carroll*	Director
James T. McGuckin	Director
Max R. Prestridge, Jr.	Director

*Member of the Executive Committee

Each director has served as such for more than three years. The term of each is until the 1977 annual meeting of shareholders. Each officer serves at the pleasure of the directors.

Graham R. McNary, 47, has been president of Forest Products Company, Inc. and McNary Lumber Company, Inc. since 1961. Forest Products Company, Inc. is a wood moulding manufacturing company and McNary Lumber Company, Inc. is a wholesale lumber and investment company. Both companies are headquartered in Albuquerque.

James K. Trump, 50, has been President of the Company since April 1971 and President and managing officer of Sandia since February 1969. He was previously senior vice-president of The First National Bank in Albuquerque, with which he had been associated for 19 years.

John L. Boynton, 40, has been employed by Sandia since June 1969, and is currently its Executive Vice-President and Treasurer. Prior to that, he was an officer of The First National Bank in Albuquerque.

Ralph Melbourne, 43, has been employed by Sandia since 1963 in various management capacities and is presently Administrative Vice-President.

James H. Ruland, 40, has been employed by Sandia since 1963 and is presently Sandia's Senior Vice-President and Controller. Mr. Ruland is a certified public accountant.

Bill C. Carroll, 46, is president of Bill C. Carroll Co., a general lath and plaster contracting firm, and of Carroll Building Materials, both of Albuquerque. He has served as a director of the Associated General Contractors of New Mexico and the International Association of Wall and Ceiling Contractors, of which he was president in 1969.

Dr. James T. McGuckin, 50, has been an opthalmologist and eye surgeon in Albuquerque since 1954.

Max R. Prestridge, Jr., 41, has been president of Border Steel Rolling Mills of El Paso, Texas since 1963. He is also a director of the El Paso National Bank.

The Company's audit committee is composed of Messrs. McNary, Carroll and McGuckin.

Remuneration

During the fiscal year ended December 31, 1975, the total direct remuneration paid by the Company to each director or officer of the Company who received in excess of $40,000, and to the directors and officers of the Company as a group was:

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received	Aggregate Remuneration
James K. Trump	President of Sandia	$ 50,475
All officers and directors as a group (8 persons)		$142,965

Certain Transactions

To increase capitalization as required by the Settlement Agreement described under "Business - Regulation" and to provide cash to the Company, the Company and Sandia each issued subordinated debentures in 1968, in an aggregate amount of $737,656. Of these, $282,000 were issued to officers and directors of the Company, including $140,000 to Graham R. McNary and a corporation he controls. Debentures in the principal amount of $411,814 were issued to certain shareholders who thereafter sold their shares of the Company's common stock to Mr. McNary and James K. Trump, President of the Company. As a part of that transaction, Messrs. McNary and Trump guaranteed the payment of interest and principal in accordance with the terms of those debentures. Messrs. McNary and Trump sold a portion of these shares and debentures and obtained proportionate assumptions of the guarantee from several of the Company's shareholders, including Bill C. Carroll, John L. Boynton, Max R. Prestridge, Jr., James H. Ruland and Ralph Melbourne. All debentures were issued for the same price and had the same interest rate, maturity date and other terms. On April 1, 1976, the debentures were retired in full at their face value plus accrued interest. See Note 5 of Notes to Financial Statements of New Mexico Financial Corporation.

In July 1975, Sandia and Forest Products Company, Inc., a corporation controlled by Graham R. McNary, jointly purchased for $338,000 an aircraft for use by Sandia and Forest Products Company, Inc. in the conduct of their businesses. Four of Sandia's offices are more than 200 miles and one is more than 100 miles from Albuquerque. Another jointly-owned aircraft was replaced and the net purchase price was paid by the two corporations in equal amounts of cash. Each corporation will pay monthly one-half of the operating cost of the aircraft. Sandia's share varies with usage and maintenance from approximately $900 to $2,000 a month.

Sandia is authorized to lend on the security of real estate owned by individuals who are officers or directors of the Association. The balances of such loans, secured by first mortgages on residences of officers and directors of the Company, at May 31, 1976

were: Graham R. McNary -- $89,176; James T. McGuckin -- $57,136; and all officers and directors as a group -- $186,080. Such loans have been made upon substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with unaffiliated persons, and do not involve more than normal risk of uncollectibility or other unfavorable features. All such loans were to purchase or refinance loans made to purchase personal residences of the individual borrowers.

PRINCIPAL SHAREHOLDERS

The following table shows the record and beneficial ownership of shares of the Company's common stock by each person owning of record or beneficially ten percent or more of the outstanding shares and the beneficial ownership by all directors and officers as a group (a) as of May 31, 1976, and as adjusted to give effect to the issuance of (b) the minimum 50,000 and (c) the maximum 150,000 shares in this offering:

Name and Address	Type of Ownership	Amount Owned	% (a)	% (b)	% (c)
Graham R. McNary 4607 Rio Grande Blvd., N.W. Albuquerque, N.M.	Record and Beneficial	230,938(1)	41.2%	37.8%	32.5%
All officers and directors as a group (8, of whom 7 are shareholders)	Beneficial	370,104	66.0%	60.6%	52.1%

(1) Includes 31,211 shares owned by Mr. McNary, 74,900 shares owned by McNary Lumber Company, Inc. and 124,827 shares owned by Forest Products Company, Inc. Mr. McNary is a controlling shareholder of both corporations.

Mr. McNary may be considered to be a "parent" of the Company within the meaning of the rules and regulations of the Securities and Exchange Commission. As a condition of the approval by the FHLBB of the Company's acquisition of McKinley, Mr. McNary agreed to reduce, no later than December 31, 1977, the shares owned beneficially by him to less than 25% of the total outstanding shares of the Company. The agreement requires a distribution by one of the corporations Mr. McNary controls to its shareholders and a private sale by the other corporation of a portion of the Company's shares it owns. It is not contemplated that any disposition will be effected by any sale of shares to the public.

DESCRIPTION OF COMMON STOCK

The Company is authorized to issue only one class of stock, a total of 3,000,000 shares of common stock, $1 par value. No preemptive rights attach to the ownership of shares. The outstanding shares and the shares of common stock offered by this Prospectus are and will be fully paid and non-assessable. Holders of common stock are entitled to receive such dividends as may be declared by the Company's Board of Directors. Each holder of common stock is entitled to one vote for each share held with respect to all matters to be voted upon by shareholders. The shares do not have cumulative voting rights, which means that the holders of 50% or more of the shares voting for the election of directors can elect all the directors and, in such event, the holders of the remaining shares voting for the election of directors will not be able to elect any person to the Board of Directors.

The Company will furnish to shareholders annual reports containing audited financial statements and unaudited quarterly financial information.

The Company acts as transfer agent and registrar for its common stock.

EXPERTS

The financial statements and schedules, so far as they pertain to the five years ended December 31, 1975, included herein and elsewhere in the Registration Statement have been included herein and in the Registration Statement in reliance upon the report of Peat, Marwick, Mitchell & Co., independent certified public accountants, and upon the authority of said firm as experts in accounting and auditing.

LEGAL OPINIONS

Legal matters in connection with the sale of the shares offered hereby will be passed upon for the Company by Andrew H. Field, 44 Montgomery Street, San Francisco, California, 94104 and, as to certain matters of New Mexico law, by Adams & Foley, 1300 Sandia Savings Building, Albuquerque, New Mexico, 87102. James H. Foley is a director of Sandia and owns 16,268 shares of the Company's common stock.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission, Washington, D.C., a Registration Statement under the Securities Act of 1933, as amended. This Prospectus does not contain all the information set forth in that Registration Statement, certain portions of which have been omitted pursuant to the Rules and Regulations of the Securities and Exchange Commission. For further information pertaining to shares offered hereby and to the Company, reference is made to the Registration Statement and the exhibits and schedules relating thereto.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
New Mexico Financial Corporation:

We have examined the consolidated statement of condition of New Mexico Financial Corporation and subsidiary as of December 31, 1975 and the related consolidated statements of operations, stockholders' equity and changes in financial position for the five years then ended. We have also examined the separate statement of condition of New Mexico Financial Corporation (parent company only) as of December 31, 1975 and the related statements of operations, stockholders' equity and changes in financial position for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of New Mexico Financial Corporation and subsidiary at December 31, 1975 and the results of their operations and the changes in their financial position for the five years then ended and the financial position of New Mexico Financial Corporation (parent company only) at December 31, 1975 and the results of its operations and the changes in its financial position for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

PEAT, MARWICK, MITCHELL & CO.

Albuquerque, New Mexico
February 27, 1976

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CONDITION

Assets	December 31, 1975	May 31, 1976 (Unaudited)
Cash (including time deposits of $8,259,752 at December 31, 1975; $6,673,955 at May 31, 1976)	$ 7,220,706	$ 7,695,407
Marketable securities, at cost (market value $1,476,517 at December 31, 1975; $4,962,241 at May 31, 1976)	1,474,545	4,962,241
Funds advanced to banks (Note 15)	550,000	400,000
Loans receivable (Note 2)	91,279,099	99,979,532
Accrued interest receivable	813,847	867,670
Stock in Federal Home Loan Bank of Little Rock, at cost	721,300	849,000
Prepayment to Federal Savings and Loan Insurance Corporation secondary reserve	870,863	777,546
Real estate acquired in settlement of loans, at cost, less allowance for losses of $55,401 at December 31, 1975; $43,931 at May 31, 1976 (Note 3)	49,311	25,694
Real estate held for investment, at cost, which is not in excess of market	277,314	256,827
Premises, property and equipment, at cost, less accumulated depreciation of $394,607 at December 31, 1975; $484,373 at May 31, 1976, partially pledged (Notes 10, 11 and 13)	4,567,754	4,664,096
Branch permits, at cost, less accumulated amortization of $47,868 at December 31, 1975; $53,216 at May 31, 1976 (Note 4)	465,237	459,889
Goodwill arising from purchase of subsidiary (Note 6)	-	179,026
Other assets, at cost, less allowance for losses of $15,415 at December 31, 1975 and May 31, 1976 (Note 3)	158,562	205,126
	$108,448,538	$121,322,054

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CONDITION

Liabilities and Stockholders' Equity	December 31, 1975	May 31, 1976 (Unaudited)
Savings accounts	$ 99,380,678	$110,373,715
Notes payable (Note 13)	1,564,931	1,954,521
Advances from Federal Home Loan Bank (Note 13)	1,172,950	1,172,950
Borrowers' advances for taxes and insurance	1,079,718	1,757,761
Income taxes (including deferred taxes of $253,718 at December 31, 1975; $249,387 at May 31, 1976 (Note 8)	325,347	337,852
Other liabilities and accrued expenses	199,198	302,887
Accrued interest on savings accounts	-	1,115,000
Unearned brokerage fees	164,392	219,924
Subordinated capital debentures (Note 5)	737,656	-
Total liabilities	104,624,870	117,234,610
Stockholders' equity (Notes 7, 8 and 9):		
Common stock, $1 par value per share; authorized 3,000,000 shares; issued 572,842 shares	572,842	572,842
Paid-in capital	887,654	899,098
Retained earnings:		
Appropriated:		
Reserves	1,663,628	1,664,089
Debenture sinking fund	140,000	-
Unappropriated	641,535	1,013,746
	3,905,659	4,149,775
Less cost of common shares in treasury - 16,215 shares at December 31, 1975 and 12,327 shares at May 31, 1976	81,991	62,331
Total stockholders' equity	3,823,668	4,087,444
Commitments and contingent liabilities (Note 10)		
	$108,448,538	$121,322,054

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
AND
NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES

STATEMENTS OF STOCKHOLDERS' EQUITY
Five years ended December 31, 1975
Five months ended May 31, 1976 (Unaudited)

			Retained Earnings				
			Appropriated				
	Common Stock	Paid-in Capital	Reserves	Debenture Sinking Fund	Unappropriated	Treasury Stock	Total
Year ended December 31, 1971:							
Balance December 31, 1970	$398,919	$159,708	$ 47,907	$ 40,000	$ (374,101)	$ -	$ 272,433
Net earnings	-	-	-	-	397,883	-	397,883
Appropriation to debenture sinking fund (Note 5)	-	-	-	20,000	(20,000)	-	-
Common stock issued	42,310	62,888	-	-	-	-	105,198
Balance December 31, 1971	441,229	222,596	47,907	60,000	3,782	-	775,514
Year ended December 31, 1972:							
Net earnings	-	-	-	-	687,164	-	687,164
Appropriation to debenture sinking fund (Note 5)	-	-	-	20,000	(20,000)	-	-
Common stock issued (Note 4)	83,333	416,667	-	-	-	-	500,000
Balance December 31, 1972	524,562	639,263	47,907	80,000	670,946	-	1,962,678
Year ended December 31, 1973:							
Net earnings	-	-	-	-	773,270	-	773,270
Appropriation to debenture sinking fund (Note 5)	-	-	-	20,000	(20,000)	-	-
Appropriation to reserves (Note 9)	-	-	502,375	-	(502,375)	-	-
Balance December 31, 1973	524,562	639,263	550,282	100,000	921,841	-	2,735,948
Year ended December 31, 1974:							
Net earnings	-	-	-	-	567,210	-	567,210
Appropriation to debenture sinking fund (Note 5)	-	-	-	20,000	(20,000)	-	-
Appropriation to reserves (Note 9)	-	-	482,467	-	(482,467)	-	-
Common stock issued	21,000	105,000	-	-	-	-	126,000
5% common stock dividend (Note 14)	27,280	136,400	-	-	(163,680)	-	-
Balance December 31, 1974	572,842	880,663	1,032,749	120,000	822,904	-	3,429,158
Year ended December 31, 1975:							
Net earnings	-	-	-	-	469,510	-	469,510
Appropriation to debenture sinking fund (Note 5)	-	-	-	20,000	(20,000)	-	-
Appropriation to reserves (Note 9)	-	-	630,879	-	(630,879)	-	-
Acquisition of 18,590 treasury shares	-	-	-	-	-	(94,000)	(94,000)
Sale of 2,375 treasury shares	-	6,991	-	-	-	12,009	19,000
Balance December 31, 1975	572,842	887,654	1,663,628	140,000	641,535	(81,991)	3,823,668
Five months ended May 31, 1976:							
Net earnings	-	-	-	-	232,672	-	232,672
Release of debenture sinking fund (Note 5)	-	-	-	(140,000)	140,000	-	-
Appropriation to reserves (Note 9)	-	-	461	-	(461)	-	-
Sale of 3,888 treasury shares	-	11,444	-	-	-	19,660	31,104
Balance May 31, 1976	$572,842	$899,098	$1,664,089	$ -	$1,013,746	$(62,331)	$4,087,444

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976 (Unaudited)
Funds provided:						
Earnings before extraordinary item	$ 363,961	$ 561,759	$ 705,755	$ 551,348	$ 469,510	$ 232,672
Charges (credits) to earnings not affecting funds:						
Depreciation and amortization	46,653	52,694	81,430	122,360	153,136	82,484
Registration expenses, net of expenditures of $27,467 in 1974	-	-	-	258,861	-	-
Deferred income taxes	66,300	38,303	70,128	55,966	23,021	(4,331)
Income tax effect of carryforward of prior years' net operating losses	33,922	125,405	67,515	15,862	-	-
Assets deemed worthless charged off	41,639	-	-	-	-	-
Amortization of loan fees, brokerage fees and discounts	(79,981)	(146,544)	(97,179)	(67,154)	(50,783)	(36,240)
Income on secondary reserve of FSLIC, net of insurance premiums transferred to primary reserve	(12,707)	(6,001)	(34,085)	(48,448)	(49,329)	(20,101)
Funds provided by operations before extraordinary item	459,787	625,616	793,564	888,795	545,555	254,484
Extraordinary item from tax benefit of carryforward of prior years' net operating losses - no funds effect	-	-	-	-	-	-
Sale of marketable securities	10,385,204	8,945,750	10,116,599	161,202,645	24,770,651	8,103,549
Decrease in advances to banks	-	-	-	-	-	150,000
Principal payments on loans	4,375,716	8,735,420	6,329,618	7,585,644	8,045,149	3,863,887
Loans sold	1,083,402	-	-	-	-	-
Sale of real estate acquired in settlement of loans	788,157	682,530	414,429	148,283	178,799	23,617
Sale of real estate held for investment	233,064	134,504	15,461	134,639	-	20,487
Increase in savings accounts:						
Deposits in excess of withdrawals	7,195,405	10,738,369	11,151,131	7,233,081	12,862,287	5,473,932
Interest credited	2,059,209	2,702,672	3,404,712	3,692,261	4,264,208	2,400,580
Increase in accrued interest on savings accounts	-	-	-	-	-	1,115,000
Increase in borrowers' advances for taxes and insurance	15,195	220,286	196,574	176,294	35,028	671,060
Proceeds from notes payable	-	-	1,595,000	1,103,450	247,000	400,000
Decrease in cash	-	-	919,396	-	1,271,813	761,821
Loan and brokerage fees deferred	1,724	2,743	6,624	15,454	158,921	63,497
Proceeds from sale of stock in FHLB of Little Rock	-	-	167,900	-	-	-
Proceeds from sale of common stock	105,198	500,000	-	126,000	-	-
Proceeds from sale of treasury stock	-	-	-	-	19,000	31,104
Net assets of subsidiary purchased	-	-	-	-	-	266,267
Other, net	150,540	-	-	18,752	-	-
	$26,852,601	$33,287,890	$35,111,008	$182,325,298	$52,398,411	$23,599,285

(Continued)

NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION (Continued)

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976 (Unaudited)
Funds used:						
Increase in cash	$ 2,917,834	$ 288,149	$ -	$ 110,874	$ -	$ -
Loans disbursed	9,667,028	22,467,326	21,180,447	18,641,978	22,610,458	10,235,858
Purchase of marketable securities	10,252,739	9,592,552	11,245,337	161,704,306	28,115,163	11,591,245
Advances to banks	-	-	-	-	300,000	-
Purchase of stock in FHLB of Little Rock	-	-	-	139,300	104,000	113,300
Increase in premises, property and equipment	-	-	1,792,770	1,641,234	836,183	142,781
Purchase of branch permits	-	505,634	-	-	-	-
Purchase of net assets in subsidiary:						
Loans receivable	-	-	-	-	-	2,253,417
Cash	-	-	-	-	-	891,620
Other investments	-	-	-	-	-	239,400
Premises, property and equipment	-	-	-	-	-	30,654
Other assets	-	-	-	-	-	52,111
Savings accounts	-	-	-	-	-	(2,998,624)
Notes payable	-	-	-	-	-	(150,000)
Other liabilities	-	-	-	-	-	(52,311)
Goodwill arising from subsidiary purchase	-	-	-	-	9,435	169,591
Increase in expenses in connection with public offering	-	291	258,570	-	-	-
Purchase of real estate held for investment	-	34,864	292,424	47,606	2,543	-
Decrease in notes payable	4,015,000	-	-	40,000	167,569	160,411
Repayment of subordinated capital debentures	-	-	-	-	-	737,656
Purchase of treasury stock	-	-	-	-	94,000	-
Loan participations purchased	-	-	-	-	-	37,523
Other, net	-	399,074	341,460	-	159,060	144,653
	$26,852,601	$33,287,890	$35,111,008	$182,325,298	$52,398,411	$23,599,285

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
STATEMENTS OF CONDITION

Assets	December 31, 1975	May 31, 1976 (Unaudited)
Cash	$ 144,498	$ 16,701
Investment in subsidiaries, at cost plus equity in undistributed earnings from dates of acquisition (Notes 6 and 8)	4,107,806	4,769,004
Equipment, at cost, less accumulated depreciation of $1,055 at May 31, 1976	-	6,533
Prepaid income taxes	83,747	111,911
Other Assets	17,097	312
	$4,353,148	$4,904,461
Liabilities and Stockholders' Equity		
Notes payable (Note 13)	$ -	$ 400,000
Income taxes (Note 8)	71,597	88,557
Other liabilities and accrued expenses	55,835	108,536
Unearned brokerage fees	164,392	219,924
Subordinated capital debentures (Note 5)	237,656	-
Total liabilities	529,480	817,017
Stockholders' equity (Notes 7 and 8):		
Common stock, $1 par value per share; authorized 3,000,000 shares; issued 572,842 shares	572,842	572,842
Paid-in capital	887,654	899,098
Retained earnings:		
Appropriated:		
Reserves	1,663,628	1,664,089
Debenture sinking fund	140,000	-
Unappropriated	641,535	1,013,746
	3,905,659	4,149,775
Less cost of common shares in treasury - 16,215 shares at December 31, 1975 and 12,327 shares at May 31, 1976	81,991	62,331
Total stockholders' equity	3,823,668	4,087,444
Commitments and contingent liabilities (Note 10)		
	$4,353,148	$4,904,461

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
STATEMENTS OF OPERATIONS

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975 (Unaudited)	1976 (Unaudited)
Revenue:							
Insurance commissions	$ 19,223	$ 22,147	$ 11,469	$ 15,814	$ 14,761	$ 4,305	$ 5,886
Interest on investments	2,303	6,077	612	234	4,047	1,442	2,693
Management fees	-	-	60,000	60,000	78,000	32,500	40,000
Brokerage fees (Note 10)	-	-	-	667	9,316	1,713	7,965
Other	1,200	1,200	14,177	5,967	7,663	6,234	425
	22,726	29,424	86,258	82,682	113,787	46,194	56,969
Expense:							
General and administrative expenses	10,163	5,239	35,574	9,626	27,523	8,472	21,322
Interest on borrowed funds (Notes 5 and 13)	571	16,636	18,170	24,586	18,096	8,391	5,369
Registration expenses	-	-	-	286,328	-	-	-
	10,734	21,875	53,744	320,540	45,619	16,863	26,691
Earnings (loss) before income taxes, equity in net earnings of subsidiaries and extraordinary item	11,992	7,549	32,514	(237,858)	68,168	29,331	30,278
Income taxes (Note 8)	3,900	2,400	14,745	(117,185)	28,527	12,059	13,511
Earnings (loss) before equity in net earnings of subsidiaries before extraordinary item	8,092	5,149	17,769	(120,673)	39,641	17,272	16,767
Equity in net earnings of subsidiaries before extraordinary item	355,869	556,610	687,986	672,021	429,869	164,696	215,905
Earnings before extraordinary item	363,961	561,759	705,755	551,348	469,510	181,968	232,672
Extraordinary item from tax benefit of carryforward of prior years' net operating losses:							
Company	3,800	2,400	14,745	15,862	-	-	-
Subsidiary	30,122	123,005	52,770	-	-	-	-
	33,922	125,405	67,515	15,862	-	-	-
Net Earnings	$397,883	$687,164	$773,270	$567,210	$469,510	$181,968	$232,672

For earnings per share information see Consolidated Statements of Operations of New Mexico Financial Corporation and Subsidiaries appearing elsewhere herein.

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976 (Unaudited)
Funds provided:						
Earnings before extraordinary item	$363,961	$561,759	$705,755	$551,348	$469,510	$232,672
Charges (credits) to earnings not affecting funds:						
Depreciation and amortization	127	-	-	-	-	1,055
Amortization of brokerage fees	-	-	-	(667)	(9,316)	(7,965)
Registration expenses, net of expenditures of $27,467 in 1974	-	-	-	258,861	-	-
Earnings of subsidiaries before extraordinary item	(355,869)	(556,610)	(687,986)	(672,021)	(429,869)	(215,905)
Income tax effect of carryforward of prior years' net operating losses	3,800	2,400	14,745	15,862	-	-
Funds provided by operations before extraordinary item	12,019	7,549	32,514	153,383	30,325	9,857
Extraordinary item from tax benefit of carryforward of prior years' net operating losses - no funds effect	-	-	-	-	-	-
Decrease in cash	-	43,342	65,316	-	-	127,797
Brokerage fees deferred	-	-	-	15,454	158,921	63,497
Proceeds from sale of common stock	105,198	500,000	-	126,000	-	-
Proceeds from sale of treasury stock	-	-	-	-	19,000	31,104
Advances from subsidiaries	-	-	9,166	-	50,006	45,088
Refund of amounts advanced to subsidiaries	-	-	35,000	-	167,882	-
Proceeds from notes payable	-	-	20,000	137,500	-	400,000
Sale of property and equipment	2,131	-	-	-	-	
Other, net	9,674	-	116,574	-	17,986	31,923
	$129,022	$550,891	$278,570	$432,337	$444,120	$709,266

(Continued)

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
STATEMENTS OF CHANGES IN FINANCIAL POSITION (Continued)

	Year Ended December 31,					Five Months Ended May 31,
	1971	1972	1973	1974	1975	1976 (Unaudited)
Funds used:						
Increase in cash	$114,022	$ -	$ -	$118,163	$ 16,971	$ -
Increase in investment in subsidiary	-	500,000	20,000	65,000	90,000	-
Purchase of subsidiary	-	-	-	-	9,435	435,858
Decrease in notes payable	15,000	-	-	-	157,500	-
Repayment of subordinated capital debentures	-	-	-	-	-	237,656
Advances to subsidiaries	-	35,000	-	167,882	-	-
Repayment of fees to subsidiary	-	14,939	-	-	-	-
Increase in expenses in connection with public offering	-	291	258,570	-	-	-
Purchase of property and equipment	-	-	-	-	-	7,588
Purchase of treasury stock	-	-	-	-	94,000	-
Prepayment of income taxes	-	-	-	7,533	76,214	28,164
Other, net	-	661	-	73,759	-	-
	$129,022	$550,891	$278,570	$432,337	$444,120	$709,266

See accompanying Notes to Financial Statements.

NEW MEXICO FINANCIAL CORPORATION (PARENT COMPANY)
AND
NEW MEXICO FINANCIAL CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Unaudited with respect to May 31, 1975 and May 31, 1976
and for the five-month periods then ended)

(1) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the assets, liabilities and operations of New Mexico Financial Corporation and its wholly owned subsidiaries, Sandia Savings and Loan Association and McKinley County Savings and Loan Association (since May 14, 1976). All significant intercompany balances and transactions have been eliminated in consolidation.

Allowances for Losses

The allowances for losses on real estate owned and other assets are recorded by charges to earnings when market values are less than the carrying values and the decline in market value is considered to be significant and other than temporary. The allowances are identified with specified properties and do not apply to the various asset categories in total. See Notes 3 and 9.

Marketable Securities

In accordance with regulations, the Associations must maintain an amount equal to 7% (6-1/2% at December 31, 1975) of total savings plus short-term borrowings in cash and U. S. Government and other approved securities that are readily convertible to cash. These securities are carried at cost with any discount or premium amortized to maturity. Securities are not adjusted to the lower of cost or market because it is generally management's intention to hold these securities to maturity, primarily to meet the above mentioned regulatory requirements.

Loan Fees

Loan fees for originating loans are deferred for amounts in excess of 1% of the loan amount plus $200 ($100 prior to January 14, 1974) for nonconstruction loans and 2% of the loan amount plus $200 ($100 prior to January 14, 1974) for construction loans. Deferred fees are amortized into income by use of the straight-line method over seven years for loans originated prior to December 31, 1971 and ten years for loans originated thereafter. Deferred fees on loans sold or paid-off are immediately credited to income.

Brokerage Fees

Brokerage fees for negotiating and securing options on loans are deferred and amortized into income by use of the straight-line method over ten years.

Unearned Discount

Unearned discount on home improvement loans and on mobile home loans is amortized into income by use of a sum-of-the-months digits method over the life of each loan.

Depreciation and Amortization

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the applicable assets. Estimated lives are three to ten years for equipment, fifteen to forty years for buildings, and forty years for branch permits and goodwill. See Notes 4, 6, 11 and 12.

Maintenance and repairs are charged to appropriate expense accounts in the year incurred. Renewals and material betterments are charged to asset accounts. The cost and accumulated depreciation relating to assets retired or otherwise disposed of are eliminated from the accounts, and any resultant gains or losses are credited or charged to earnings. See Note 12.

Gain on Sale of Real Estate

Gain on sale of real estate is recognized for financial statement purposes in the year of sale if the collection of the loan or contract is reasonably assured. If collection is doubtful, the gain is deferred. At December 31, 1975 and May 31, 1976, approximately $44,000 and $40,000, respectively, were deferred under the installment sale method.

Stock of Federal Home Loan Bank of Little Rock

The Associations are members of the Federal Home Loan Bank System. As members of this System, the Associations are required to maintain an investment in capital stock of the Federal Home Loan Bank of Little Rock in an amount equal to 1% of their outstanding home loans or 1/12 of their outstanding advances, whichever is higher. Cash dividends earned on the Bank stock provided a yield of 6.68% in 1975.

Prepayment to the Federal Savings and Loan Insurance Corporation Secondary Reserve

Sandia Savings and Loan Association has deposited funds in a secondary reserve of the Federal Savings and Loan Insurance Corporation in connection with the insurance of the Association's savings accounts. This reserve is subject to decrease for current insurance premiums and is increased for earnings on the reserve balance. The earnings on this reserve were 6.91% in 1975.

Income Taxes

The provision for Federal and State income taxes and the tax benefit from prior years' net operating loss carryforwards are computed on pretax accounting income adjusted by reversals of provisions for estimated losses on loans and property acquired in settlement of loans and gains or losses on the sales of such property, and adjusted for a permanent difference arising from the amortization of the cost of branch permits, which is not deductible for income tax purposes, and after giving effect to the bad debt deduction allowable by the United States Internal Revenue Code. See Note 8. Investment tax credits are used to offset Federal income tax expense when reductions of income tax otherwise payable are realized.

The deferral of income taxes arises principally from the recognition of items as income or expense for tax purposes in periods different from the periods in which they were included in the financial statements.

The Company files consolidated income tax returns with Sandia Savings and Loan Association and its subsidiary. Commencing May 14, 1976, the controlled group includes McKinley County Savings and Loan Association.

(2) Loans Receivable

Loans receivable are summarized as follows:

	December 31, 1975	May 31, 1976
First mortgage loans	$85,529,056	$ 94,982,659
Home improvement loans	46,937	47,803
Loans on savings accounts	1,183,771	1,418,898
Mobile home loans	574,850	538,281
Real estate sold on contract	4,617,376	4,519,052
Other loans and contracts	138,379	144,685
	92,090,369	101,651,378
Less:		
Unearned loan and commitment fees	18,099	16,949
Unearned discount on home improvement and mobile home loans	136,961	125,667
Unearned interest on loans on savings accounts	65,464	86,602
Deferred gain on sale of real estate	83,471	71,951
Undisbursed portion of loans in process	507,275	1,370,677
	811,270	1,671,846
	$91,279,099	$ 99,979,532

(3) Allowances for Losses

The allowances for losses have been deducted from related assets on the consolidated statements of condition and are stated separately thereon. The allowances as of December 31, 1975 and May 31, 1976 consist of allowances for losses provided for real estate owned and other assets on transactions originating prior to January 1, 1968. Management believes the allowances for losses are adequate to cover all losses.

(4) Acquisition of Branch Permits

Sandia Savings and Loan Association purchased the rights to operate three branches in Clovis, Las Cruces and Roswell, New Mexico on March 31, 1972. The cost of the permits has been capitalized and is being amortized on a straight-line basis over forty years for financial statement purposes. The cost of the permits was expensed on the books in the year of acquisition as required by the supervisory authorities.

The State of New Mexico Savings and Loan Supervisor required an increase of $500,000 in the capital of Sandia Savings and Loan Association as a condition for approval of the acquisition of the branch permits. In December 1972, the increase was accomplished through a sale of 83,333 shares of common stock of the Company at $6 per share and a subsequent contribution of capital to Sandia Savings and Loan Association.

(5) Subordinated Capital Debentures

On December 31, 1968, the Company and Sandia Savings and Loan Association issued $237,656 and $500,000, respectively, of 7% subordinated capital debentures with interest payable quarterly, and the principal maturing in full on December 31, 1993.

Principal and interest payments could not be made on the Association's debentures unless, after making such payment, the Association was in full compliance with Section 563.13 of the Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation. See Note 9. In addition, the Association was required to accumulate and maintain from earnings a sinking fund for the retirement of the debentures.

All outstanding capital debentures of both the Company and Sandia Savings and Loan Association were called and paid in full at face value on April 1, 1976 plus accrued interest through March 31, 1976.

(6) Acquisition of Subsidiary

On May 14, 1976, New Mexico Financial Corporation acquired 100% of the outstanding capital stock of McKinley County Savings and Loan Association of Gallup, New Mexico. The stock was acquired at a total cost, including legal and other fees, of $445,293. Of the total price, $13,104 was acquired by exchange of 1,638 shares of stock of New Mexico Financial Corporation and the balance of $432,189 was paid in cash. The acquisition was accounted for as a purchase.

At the date of acquisition, McKinley County Savings and Loan Association had total savings of $2,998,624, total loans of $2,253,417 and total assets of $3,467,202.

Of the total purchase price of $445,293, $179,026 is shown as goodwill in the consolidated statements of condition and will be amortized over a period of forty years beginning June 1, 1976. See Note H to Consolidated Statements of Operations.

(7) Dividend Restriction

The bylaws of Sandia Savings and Loan Association provide that no dividends (other than stock dividends) shall be paid if the Association's adjusted net worth (as defined in the Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation) is less than 8% of its specified assets (as defined in the Insurance Regulations), or if such payment would reduce the adjusted net worth to an amount less than 8% of its specified assets. At December 31, 1975, the Association's adjusted net worth was $3,622,722 whereas 8% of its specified assets was $7,583,211. At May 31, 1976, the Association's adjusted net worth was $3,838,386 whereas 8% of its specified assets was $8,109,473. Accordingly, all of the Association's retained earnings, $2,963,155 at May 31, 1976, are restricted and unavailable for payment of cash dividends to the Company. Retained earnings in McKinley County Savings and Loan Association at May 31, 1976, available for payment of cash dividends to the Company, are not significant. Because no significant cash dividends are currently available from the two savings and loan subsidiaries of the Company, the Board of Directors, on August 19, 1976, adopted a resolution restricting the Company's retained earnings available for payment of dividends to the current year plus the immediate preceding year's earnings excluding equity in the net earnings of subsidiaries. By this restriction, the Company's unrestricted retained earnings at May 31, 1976 are $56,408. See Note 10.

(8) Income Taxes

Under the Internal Revenue Code, the Associations are allowed a special bad debt deduction related to additions to bad debt reserves established for the purpose of absorbing losses. The provision for Federal taxes on income is based upon anticipated additions

to such reserves in an amount equal to 45% of taxable income for 1975 and 43% of taxable income for 1976, before such additions, as reported in the accompanying financial statements. The Revenue Code decreases the allowable deduction to 40% over the next four years, and generally imposes a preference tax of 10% on the amount by which such deduction exceeds $30,000 plus the tax liability for the year.

The annual tax deductible additions to the Federal income tax bad debt reserves are limited to an amount to bring the qualifying loan reserve, on a cumulative basis, up to 6% of qualifying loans. Such percentages for Sandia Savings and Loan Association were 2.08% at December 31, 1975 and 2.06% at May 31, 1976. The percentage for McKinley County Savings and Loan Association at May 31, 1976 was .85%. Also, total retained earnings at the beginning of each year may not exceed 12% of savings accounts at the end of each year. Such percentages for Sandia Savings and Loan Association were 2.3% at December 31, 1975 and 2.6% at May 31, 1976. The percentage for McKinley County Savings and Loan Association at May 31, 1976 was 2.1%.

Stockholders' equity includes approximately $1,870,000 at December 31, 1975 and $2,006,000 at May 31, 1976, which constitute actual or anticipated additions to bad debt reserves for Federal income tax purposes and, therefore, may be subject to tax if removed from such status at the then current rates. Management does not contemplate that this portion of stockholders' equity will be used in a manner that will create any income tax liability.

Investment tax credits, net of recapture, recognized as a reduction of current consolidated Federal income tax expense for the years ended December 31, were: 1971, none; 1972, none; 1973, $727; 1974, $5,810; and 1975, $16,232; and for the five months ended May 31, 1975 and 1976 were $6,763 and $1,018 respectively.

The State of New Mexico imposes a tax based on Federal taxable income at the rate of 6%.

The provision for income taxes for New Mexico Financial Corporation (Parent Company) consisted of the following:

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Current:							
Federal	$ -	-	-	(110,211)	92,414	45,908	36,818
State	100	-	-	(15,303)	12,327	6,099	4,857
	100	-	-	(125,514)	104,741	52,007	41,675
Deferred (prepaid):							
Federal	-	-	-	(6,697)	(67,746)	(35,509)	(25,021)
State	-	-	-	(836)	(8,468)	(4,439)	(3,143)
	-	-	-	(7,533)	(76,214)	(39,948)	(28,164)
Tax effect of net operating loss carryforwards:							
Federal	3,200	2,025	13,197	13,958	-	-	-
State	600	375	1,548	1,904	-	-	-
	3,800	2,400	14,745	15,862	-	-	-
	$3,900	$2,400	$14,745	$(117,185)	$ 28,527	$12,059	$13,511

(9) Reserves

In connection with the insurance of savings accounts by the Federal Savings and Loan Insurance Corporation and with the New Mexico Savings and Loan Act, the Associations are required to maintain general reserves which may be used only for absorbing losses. These reserves are not related to amounts of losses actually anticipated and the appropriations thereto have not been charged to income.

At December 31, 1975 and May 31, 1976, the Federal Insurance Reserve of Sandia Savings and Loan Association was $2,653,194 of which $1,656,504 is included in reserves in the accompanying financial statements and $996,690 is included in the Association's paid-in capital (eliminated in consolidation). The minimum requirement is $2,653,194 at May 31, 1976 under Federal Savings and Loan Insurance Corporation regulations.

At May 31, 1976, the Federal Insurance Reserve of McKinley County Savings and Loan Association was $25,816 of which $816 is included in reserves in the accompanying financial statements and $25,000 is included in the Association's paid-in capital (eliminated in consolidation). The minimum requirement is $16,529 at May 31, 1976 under Federal Savings and Loan Insurance Corporation regulations.

(10) Commitments and Contingent Liabilities

The Associations occupy certain offices and use certain equipment under lease arrangements. For purposes of the following disclosure, a distinction has been made between "financing" lease arrangements and other lease arrangements. A "financing" lease is one which, during the noncancelable lease period, either (1) covers 75% or more of the economic life of the property, or (2) has terms which assure the lessor a full recovery of the fair market value of the property at the inception of the lease, plus a reasonable return on his investment.

A summary of noncancelable long-term lease commitments at December 31, 1975 follows:

	Type of Property		Total	
	Real Property	Other	"Financing" Leases	All Other Leases
1976	$ 73,004	$7,006	$ 15,000	$ 65,010
1977	73,004	6,479	15,000	64,483
1978	73,229	2,873	15,225	60,877
1979	73,679	2,592	15,675	60,596
1980	63,929	1,728	16,125	49,532
1981-1985	261,329	-	87,375	173,954
1986-1990	220,012	-	98,625	121,387
1991-1995	109,875	-	109,875	-
After 1995	59,100	-	59 100	-

In addition to the annual rentals, certain agreements require the Associations to pay insurance, maintenance and taxes. The agreements contain no purchase options or contingent rental provisions, and renewal options were not significant. It is expected that in the normal course of business, leases that expire will be renewed or replaced by leases on other properties; thus, it is anticipated that future minimum lease commitments will not be less than the amounts shown for 1976.

The present value of noncapitalized financing leases is not material, and there would not have been a significant effect on the financial statements if such leases had been capitalized.

At May 31, 1976, the Associations were committed to make loans of approximately $1,150,000.

On May 19, 1976, McKinley County Savings and Loan Association entered into a contract for the construction of a branch office building in Farmington, New Mexico for a total estimated cost of approximately $104,000 of which $39,000 (the cost of the land) is included in premises, property and equipment at May 31, 1976. The estimated completion date is September 1976.

The Federal Home Loan Bank Board has stated its opinion that brokerage fees the Company receives for loans to be made by its subsidiaries may be in violation of certain regulations. No enforcement proceedings have been instituted. The result of any such proceedings could be retroactive repayment of fees from the Company to the subsidiaries, which would reduce the Company's cash available for payment of dividends.

(11) Premises, Property and Equipment

Premises, property and equipment are summarized by major classifications as follows:

	December 31, 1975	May 31, 1976 (Unaudited)
Land	$ 498,005	$ 537,147
Buildings	3,631,753	3,710,677
Furniture, equipment and leasehold improvements	832,603	900,645
	4,962,361	5,148,469
Accumulated depreciation	394,607	484,373
	$4,567,754	$4,664,096

(12) Supplementary Statement of Operations Information

The following were charged to expense on the consolidated statements of operations of New Mexico Financial Corporation and subsidiaries:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Maintenance and repairs	$17,443	$43,530	$ 18,527	$ 22,387	$ 59,097	$12,282	$10,526
Depreciation and amortization:							
Premises, property and equipment	$42,103	$38,653	$ 66,111	$109,496	$140,272	$44,087	$77,136
Real estate	4,550	4,560	2,660	-	-	-	-
	$46,653	$43,213	$ 68,771	$109,496	$140,272	$44,087	$77,136
Amortization of branch permits	$ -	$ 9,481	$ 12,659	$ 12,864	$ 12,864	$ 5,360	$ 5,348
Taxes other than taxes on income:							
Real estate	$18,523	$22,810	$ 19,606	$ 52,778	$ 52,184	$20,028	$24,752
Payroll	8,338	11,683	35,709	26,573	33,290	17,527	20,472
Other	431	550	1,746	1,077	1,053	534	500
	$27,292	$35,043	$ 57,061	$ 80,428	$ 86,527	$38,089	$45,724
Rents:							
Non-capitalized financing leases	$ -	$ -	$ 6,250	$ 15,000	$ 15,000	$ 6,250	$ 6,250
All other leases	39,694	47,758	52,364	62,966	81,974	29,706	44,495
	$39,694	$47,758	$ 58,614	$ 77,966	$ 96,974	$35,956	$50,745
Advertising expenses	$47,470	$77,219	$113,572	$124,701	$118,184	$50,647	$48,795

There were no royalties or research and development costs.

The following were charged to expense on the statement of operations of New Mexico Financial Corporation (Parent Company):

	Year Ended December 31,					Five Months Ended May 31,	
	1971	1972	1973	1974	1975	1975	1976
						(Unaudited)	
Depreciation and amortization of property and equipment	$127	$ -	$ -	$ -	$ -	$ -	$1,055
Taxes other than taxes on income	$431	$540	$1,746	$1,077	$1,053	$ 534	$ 500
Rents	$ -	$ -	$ -	$ -	$8,123	$1,805	$4,512
Advertising expenses	$ -	$338	$ -	$ -	$ -	$ -	$ -

There were no maintenance and repairs, amortization of intangible assets, royalties or research and development costs.

(13) Notes Payable

The Company has borrowed $400,000 from a bank on an unsecured note payable due May 14, 1977. The terms of the note require interest at a prime rate with a minimum of 7% and a maximum of 8-1/2%. This note was a partial advance against an unsecured line of credit of $600,000 which expires December 31, 1976.

Sandia Savings and Loan Association is liable on an 8-3/4% mortgage note payable, due in monthly installments, beginning September 1, 1975, of $13,466, including interest, through August 31, 1997. The balance of the note as of May 31, 1976 was $1,554,521. The mortgage note is secured by real property and equipment with a depreciated cost of $3,840,000 at May 31, 1976. See Note 11.

Sandia Savings and Loan Association also has unsecured advances from the Federal Home Loan Bank as follows:

	December 31, 1975 and May 31, 1976
8.6% note due November 27, 1978, interest due monthly	$ 308,650
8.95% note due February 26, 1979, interest due monthly	308,650
8.15% note due May 25, 1979, interest due monthly	308,650
7% note due November 26, 1979, interest due monthly	247,000
	$1,172,950

Debt maturities for the balance of 1976 and the five years thereafter are as follows:

	Mortgage Principal Payments	Bank Notes Payable	Federal Home Loan Bank Advances	Total
1976	$15,247	$ -	$ -	$ 15,247
1977	28,011	400,000	-	428,011
1978	30,563	-	308,650	339,213
1979	33,347	-	864,300	897,647
1980	36,385	-	-	36,385
1981	39,699	-	-	39,699

(14) Common Stock Dividend

On December 20, 1974, the Directors declared a 5% stock dividend for stockholders of record on December 31, 1974. Unappropriated retained earnings was charged $163,680 for the fair market value of the stock issued. Common stock was credited for $27,280 and paid-in capital for $136,400. Fractional shares were rounded to the next whole number.

(15) Funds Advanced to Banks

Funds advanced to banks are unsecured short-term liquidity loans, subject to certain limitations as prescribed by regulatory authorities, to financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation.

(16) Subsequent Events (Unaudited)

Because of a Federal Home Loan Bank Board regulation which became effective on September 30, 1976, the Company will no longer receive brokerage fees for negotiating and securing options on loans.

On October 21, 1976, the Company arranged with a bank for an unsecured line of credit of $600,000 which expires December 31, 1981. The terms of the line require interest at the bank's prime rate and principal retirement of not less than $50,000 annually.

150,000 SHARES

New Mexico Financial Corporation

PROSPECTUS

NOVEMBER 3, 1976

7-18-77

BELEN SAVINGS & LOAN ASSN.
P. O. Box 523
Belen, New Mexico 87002

N. M. Financial Corp.
Purchase
38.3 shares
@ #574

21,984.20
x 20 %

-4,396.84

17,587.36

@8% Paid
Semi Annually = 1,294.08 for 10 yrs

July — Thru — December

1977

Mr. Austin D. Lovett
Box 638
Belen, N.M. 87002

CHAMPION CLASP NO. G-98
10 × 15